



**GOVERNMENT OF INDIA  
TARIFF COMMISSION**

**REPORT  
ON  
Fair Prices of Woollen Yarn, Fabrics  
and Hosiery Manufactures**

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### India, Tariff (—Commission)

**Report on Price of Woollen  
Yarn, Fabrics and Hosiery  
Manufactures—1962**



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SHRI PRAMOD SINGH



## MINISTRY OF COMMERCE & INDUSTRY

### RESOLUTION

*New Delhi, the 29th June, 1963.*

**No. 17(26)-TEX(D)/62.**—The Tariff Commission has submitted its Report on the Fair Prices of Woollen Yarn, Fabrics and Hosiery Manufactures, on the basis of an enquiry undertaken by it under Section 12(d) of the Tariff Commission Act, 1951. The Commission has recommended the fixation of the ex-mill and retail prices of different types of woollen manufactures, in accordance with certain formulae suggested by it, which would be applicable till September, 1965.

2. Government have carefully considered the recommendations of the Tariff Commission and have decided that in view of the fact that the conditions obtaining in the woollen industry are not now normal, as a result of the gearing of the industry for production of Defence requirements and its effect on production of civilian goods, the fixation of the prices of woollen yarn and manufactures on the basis suggested by the Tariff Commission will not be desirable at present. It has, therefore, been decided not to fix the ex-mill and retail prices of woollen goods as recommended by the Tariff Commission, and that the position should be reviewed when normal conditions in the industry are restored.

**A. V. VENKATESWARAN,**

*Joint Secretary,*



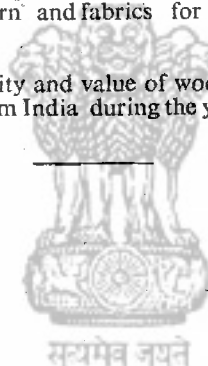
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## REPORT ON FAIR PRICES OF WOOLLEN YARN, FABRICS AND HOSIERY MANUFACTURES

1. In 1959 the Government of India received reports that woollen and worsted manufactures were selling at high prices which could not be justified by their costs of production. Manufacturers of hosiery goods in particular were stated to have been experiencing great difficulty in obtaining their requirements of hosiery yarn at reasonable prices. After an examination of the cost structure of worsted hosiery yarns by the Chief Cost Accounts Officer of the Ministry of Finance, the Government of India fixed maximum selling prices of these yarns under Section 18-G of the Industries (Development and Regulation) Act, 1951, *vide* Notification No. S.O. 1662 dated 2nd July, 1960. Subsequently by the Ministry of Commerce and Industry Resolution No. 17(47)-Tex(D)/60, dated 24th October, 1960 (Appendix I), Government requested us under Section 12(d) of the Tariff Commission Act, 1951 to examine and report on the fair prices for all types of woollen/shoddy woollen/worsted yarn, including hosiery yarn, and fabrics including hosiery goods and manufactures. In addition, we have been asked to recommend for these commodities fair ex-mill prices and wholesale and retail prices as also fair prices payable by consumers in various regions of the country.

2.1. Under our terms of reference we are required to examine the entire cost structure of all types of woollen/shoddy woollen/worsted yarn (including hosiery yarn) and woollen fabrics (including hosiery goods) and recommend fair ex-mill, wholesale and retail prices of all the specified types of yarns and fabrics and also fair prices payable by consumers in different regions of the country. The latter part of the reference implies, in our opinion, a recommendation on the desirability or otherwise of regional prices in the interest of consumers. Wide as our terms are, they are specific, particularly in respect of different types of woollen yarns, which we have interpreted to include carpet yarn. We have considered the terms in the light of the Government Resolution in which the genesis and object of the inquiry are indicated as having been prompted by reports received by Government about prevailing high prices of woollen and worsted manufactures not being justified by their costs of production. Price control is envisaged in the interest of the consumer at large. In the definition of 'fabrics', therefore, we have included, for the purpose of our inquiry, both blankets and rugs in view of their importance being articles of mass consumption and have excluded carpets which stand distinguished from woollen fabrics in this respect and are pre-eminently a luxury or an export commodity. On similar considerations we have excluded felts which are not woven fabrics, and belting and other industrial yarns from the scope of our inquiry.

2.2. Some hand knitting wool processors' associations in the country, including the Federation of All India Hand Knitting Wool Processors, Delhi, have requested us to ensure equitable distribution of grey hand knitting yarn, besides fixing its fair price. The All India Woollen Mills Association, Bombay, has also requested us to examine the claim of hand knitting processors to supply of yarns as also the distribution aspect of the various types of yarns including weaving yarn required by the small scale sector. We are required to recommend fair ex-mill, wholesale and retail prices of all types of yarn including hand knitting yarn (wool). Though the method of distribution has an important part to play in the ultimate prices payable by consumers, the mechanism that should be devised to ensure the maintenance of adequate supplies at fair prices at all important points is largely an administrative matter which is not covered by our terms of reference. We have not also the means of testing the several schemes for this purpose submitted by various associations. The scope of our inquiry is therefore strictly confined to the terms of reference.

3.1. Towards the end of December 1960 we wrote to all known producers of woollen/worsted yarn and fabrics requesting them to furnish certain basic data regarding year of commencement, installed capacity, production, etc. of their plants as also copies of their balance sheets and profit and loss accounts for the last five accounting years. A detailed questionnaire to producers was issued on 31st January, 1961. Questionnaires were also sent to the various associations of producers of yarn and fabrics, hosiery manufacturers, dealers and yarn merchants on 18th April, 1961 and to all the Chambers of Commerce on 8th September, 1961. The Textile Commissioner and the Development Council for the Woollen Industry were requested to furnish detailed memoranda on the various aspects of the inquiry. The Ministry of Food and Agriculture was approached for information regarding the availability of indigenous wool and the Indian Council of Agricultural Research for a note on sheep breeding in this country. The Development Commissioner, Small Scale Industries was asked to submit a memorandum on the problems of the small scale sector of the industry. The Trade Representatives in our Missions abroad were addressed to ascertain the competitive position of Indian woollen textiles and hosiery manufactures in foreign markets. Letters were issued to State Governments calling for their views on different aspects pertaining to the inquiry. Information regarding wool combing was sought for from Isaac Holdens (India) Ltd., Calcutta, R. K. Wool Combers, Ludhiana, Pearl Woollen Mills (I), Ludhiana, etc. Memoranda were also called for from the hand knitting wool processors' associations. The woollen machinery manufacturers were asked to submit information regarding production and availability of indigenous machinery. A press note was issued in May 1961 inviting interested parties to place their views before the Commission. A list of those to whom questionnaires/ letters were issued and from whom replies have been received is given in Appendix II.

### 3. Method of inquiry



3.2. We visited a number of woollen mills situated at different places like Bombay, Kanpur, Calcutta, Jamnagar, Amritsar, Dhariwal and Ludhiana. In order to collect relevant data regarding the small scale hosiery and weaving units, two of our investigators were sent to Ludhiana and Amritsar in the last week of September 1961. The details of the factories visited by Members and Officers of the Commission are given in Appendix III.

3.3. We selected ten woollen factories and nine hosiery units in different regions of the country for examining the cost of production of woollen yarns, fabrics and hosiery goods. Particulars of the factories whose accounts were examined are given in Appendix IV. The costs were examined under the guidance of our Senior Cost Accounts Officer, Shri S. K. Basu.

3.4. We had to wait for nearly a year to get detailed replies from many units of the industry and from their parent associations. A public inquiry into the industry was held on 17th and 18th November, 1961 and thereafter, separate discussions were held with representatives of the costed units. We also held separate discussions with the representatives of the Federation of Woollen Manufacturers in India, Bombay and the All India Woollen Mills Association, Bombay on 22nd November, 1961. The names of those who attended the public inquiry and the interests represented by them are given in Appendix V.

4.1. Though it is an old and established industry whose first unit came up in the last quarter of the nineteenth century, the woollen industry has developed rather haphazardly. It received a fillip after World War I but was denied protection in 1934. It nevertheless expanded since World War II. Except for war time controls in the past, the woollen industry in India was not subjected to any statutory control regarding production, prices and distribution for a period of nearly fourteen years following the close of the second world war. Since 1959, however, the industry has been subjected from time to time to various measures of control, statutory and voluntary, some of which are still in force. As these control measures have an important bearing on our inquiry, we give a brief resume so that our recommendations may be viewed in their proper perspective.

4.2. *Control on production.*—The import of wool tops was brought under a licensing scheme in 1957. Lest any sector of the woollen industry suffer as a result of curtailment of import of raw material, the Government of India issued a public notice No. WAS-14(3)/59 dated 30th October, 1959 directing spinning mills to produce during the season 1959-60 (year ended September) the same proportion of worsted hosiery and knitting yarn as was produced by them during the season 1956-57. The units which had installed new spindles after 30th September, 1957 were required to manufacture at least 30 per cent of their quarterly

#### 4. Recent controls on Woollen Industry.

production of worsted yarn in the form of hosiery yarn. This was followed in September 1960 by the promulgation under the powers conferred by the Essential Commodities Act, 1955, of the Woollen Yarn (Production and Distribution Control) Order, 1960, since replaced by the Woollen Textiles (Production and Distribution Control) Order, 1960. The Textile Commissioner was authorised to require manufacturers to produce different varieties of woollen yarn in specified quantities or proportions having regard to the capacity of the mills to manufacture them. On 29th September, 1960 the Textile Commissioner [*vide* his Notification No. TC/(42)/60] fixed the quantities of worsted yarn for each quarter at  $47\frac{1}{2}$  per cent for weaving,  $32\frac{1}{2}$  per cent for hosiery and 20 per cent for knitting purposes. This measure which came into force from 1st October, 1960 sought to fix a uniform pattern for the manufacture of worsted yarn in respect of all the units in the industry. However, there was strong criticism from the mills and their associations against the rigidity and inequitableness of this measure. It was pointed out that the quota of  $47\frac{1}{2}$  per cent fixed for weaving yarn was wholly inadequate to meet the requirements of the small scale weaving industry. In view of these complaints, the above Notification was cancelled by the Textile Commissioner in December, 1960. The pattern of production for worsted weaving, hosiery and knitting yarns was fixed for each mill separately with effect from 16th December, 1960. At present except for worsted yarn, there is no control on production of woollen and shoddy yarn, woollen fabrics, hosiery goods and other manufactures.

#### 4.3. Control on Distribution :

*Hosiery yarn.*—By their Public Notice No. WAS-14(3)/59 referred to in the foregoing paragraph, the Government of India authorised the Hosiery Federation of Ludhiana to allocate quarterly to its members and to the members of any recognised association hosiery yarn subject to certain conditions. This scheme which excludes composite mills from its purview came into effect from 1st January, 1960 and is still in operation. The Federation was directed to accommodate as far as possible the old customers of the spinning mills. The scheme provides that supplies of hosiery yarn should conform to the specifications given in the contract and that the allottees should not resell the yarn allotted to them under the scheme. The price at which such yarn is supplied should be the same as charged by the spinners. The Federation, however, can permit allottees not requiring quotas of yarn to exchange them on no-profit basis. It is required to intimate to the Textile Commissioner the names of allottees, their installed and working machines and average annual production during the basic period (*viz.*, three fiscal years from April, 1956 to March, 1959) along with the quantities allocated to each allottee. It may be stated here that although the Textile Commissioner has been authorised by the Woollen Textiles (Production and Distribution Control) Order, 1960 to regulate the distribution of woollen/worsted yarn and fabrics, there is actually no such control at present except for distribution of hosiery yarn.

#### 4.4. Control on Prices :

4.4.1. *Hosiery yarn*.—As mentioned in paragraph 1 above, when the Government of India received reports about scarcity and consequent high prices of hosiery yarn in the market, they fixed, on the basis of an examination by the Chief Cost Accounts Officer, maximum prices of worsted hosiery yarn of different counts on 2nd July, 1960 under the Woollen Yarn (Price Control) Order, 1960. This Order was, however, rescinded on 14th November, 1960 (*vide* Notification No. S.O. 2761) and on the same day the Textile Commissioner issued a Notification (No. S.O. 2766) under the Woollen Textiles (Production and Distribution Control) Order, 1960 fixing the maximum ex-factory prices of worsted hosiery yarn (doubled yarn counts) as under:—

(In Rs. per lb.)

Count of yarn	Grade of Wool top					
	48s/50s	56s	58s	60s	64s	70s
2/12s . .	6·59	7·65	7·81	8·09	8·37	..
2/16s . .	6·81	7·87	..	..	..	..
2/22s . .	7·16	8·22	8·37	8·65	8·93	9·30
2/40s . .	..	..	9·90	10·18	10·46	10·83
2/48s . .	..	..	10·31	10·59	10·87	11·24
12s . .	6·41	7·42	7·58	7·86	8·15	..
16s . .	6·62	7·63	..	..	..	..
22s . .	6·91	7·92	8·07	8·35	8·64	9·01
40s . .	..	..	9·50	9·78	10·07	10·44
48s . .	..	..	9·87	10·15	10·44	10·81

As regards other counts of worsted hosiery yarn not specified in the above table, suitable differentials were allowed for fixation of their maximum ex-factory prices. These prices are still in force.

4.4.2. *Hosiery Articles*.—Apart from the above, the Textile Commissioner has also fixed the maximum ex-factory prices of woollen hosiery articles (excluding jerkins, reversibles, fully fashioned garments

and swim wears) with effect from 11th January, 1961 [vide Notification No. POL-II/2(105)/61] as follows :—

Sl. No.	Name of article	Specification of counts	Ex-factory price per lb. (Rs.)
1.	Jersies . . . . .	3/11 48/50 tops	12·25
		2/12	12·25
2.	Pullovers . . . . .	2/22 70 tops	24·00
		" 60 tops	23·00
		" 48/50 tops	19·00
3.	Cardigans (Ladies & Gents) . . . . .	2/22 70 tops	25·50
		" 60 tops	24·50
		" 48/50 tops	20·50
4.	Slipovers . . . . .	2/22 70 tops	23·00
		" 60 tops	22·00
		" 48/50 tops	18·00
5.	Socks, Stockings (civil) . . . . .	2/22 70 tops	22·50
		" 60 tops	21·00
6.	Socks, stockings and hose tops (military)	3/11 48/50 tops	12·60
		or 2/12	
7.	Mufflers . . . . .	2/22 70 tops	18·30
		" 60 tops	17·30
8.	Gloves . . . . .	2/22 70 tops	25·00
		" 60 tops	24·00
9.	Caps . . . . .	2/22 70 tops	20·00
		" 60 tops	19·00
10.	Vests . . . . .	2/22 70 tops	17·50
		" 60 tops	16·50

The maximum retail prices of the above articles were fixed under the Notification at 25 per cent above the corresponding maximum ex-factory prices. Prices of hosiery articles were based on the prices of hosiery yarn as fixed on 14th November, 1960 and for every increase or decrease in the price of hosiery yarn by Re. 1, the prices of the hosiery articles mentioned above were to be revised by Re. 1.25. Additional allowances for hosiery articles of sizes between 14" and 28" and for figurative and knitted designs were also permitted at prescribed rates. It was also stipulated that maximum ex-factory and retail prices together with excise duty should be stamped by every producer on a piece of paper securely stuck to the hosiery articles. In brief, the position regarding statutory price controls on the woollen industry is that at present Government have fixed the maximum ex-factory prices

of worsted hosiery yarn and the ex-factory and retail prices of some hosiery articles. All other woollen yarns, fabrics and manufactures have not been brought under the scheme of statutory price control even though the Textile Commissioner has powers to control their prices.

#### 4.5. Voluntary Price Control :

4.5.1. Besides the statutory price controls on the industry mentioned above the Federation of Woollen Manufacturers in India (hereinafter called FWMI) and the All India Woollen Mills Association (hereafter called AIWMA), at the instance of the Textile Commissioner, announced their decision in November, 1960 to regulate the prices of worsted weaving and shoddy yarns on a voluntary basis. Under this scheme the ex-mill prices of worsted weaving yarns were fixed by the industry as follows:—

(Rs. per lb.)

Counts		Quality of tops				
mm	70s	64s	60s	58s	56s	50/48s
64	13.62	13.25	..	..	..	..
60	13.25	12.87	..	..	..	..
56	12.87	12.50	12.22	..	..	..
48	12.12	11.75	11.47	..	..	..
40	11.62	11.25	10.97	10.75	..	..
32	11.12	10.75	10.47	10.25	10.03	..
24	10.62	10.25	9.97	9.75	9.53	9.03
18	10.43	10.06	9.78	9.56	9.34	8.84

NOTE— (a) Above 48s count,  $1\frac{1}{2}$  annas (9 nP.) per each count was added.

(b) Above 24s to 48s counts, 1 anna (6 nP.) per each count was added.

(c) Below 24s count,  $\frac{1}{2}$  anna (3 nP.) per each count was deducted.

These prices remained in force up to the end of December, 1961. As regards shoddy yarn, all ex-mill deliveries were to be made at Rs. 2.87 per lb. which, according to the industry, would result in a reduction of 15 to 20 per cent in the then prevalent market prices. We have been informed by FWMI that voluntary control on the prices of worsted weaving yarn and shoddy yarn has been lifted from 1st January, 1962. As regards shoddy yarn, however, AIWMA subsequently entered into an agreement with the Federation of Handloom Associations, Amritsar in March, 1962 for the supply of 2 million lbs. of shoddy yarn at the rate of Rs. 2.87 per lb., ex-mill.

4.5.2. Regarding knitting wool and fabrics, FWMI and AIWMA urged their members to publish price lists for the preceding three years (namely 1958, 1959 and 1960) and display the 1961 prices at the mills' retail shops. As regards grey knitting yarn, following representations from the Federation of All India Hand Knitting Wool Processors to Government, the mills undertook to make available 1.5 lakh lbs. of grey hand knitting yarn for distribution among the processors in Delhi during July-September, 1961. The ex-mill price of grey knitting yarn was fixed at Rs. 10.50 per lb. (net weight of yarn) for 4/16s yarn spun out of 64s tops plus excise duty, central and local sales tax and the usual forwarding charges.

4.6. It has been represented to us that the objectives of both the statutory control on hosiery yarn prices and the voluntary control on weaving yarn prices have not been attained. It was alleged that several malpractices have crept into the distribution scheme of hosiery yarn, that distribution of hosiery, weaving and shoddy yarn was not equitable and that the prices for grey hand knitting yarn had been kept artificially high. It has been urged that price control without effective distribution control, particularly over retail sales, has led to unhealthy market conditions with the result that the consumer has been hard pressed in his purchase of woollen goods. The yarn made available to small scale weavers and hosiery manufacturers does not reach them at the fixed prices and in the required grade or quality. Certain wool processors have urged that they are unable to get grey hand knitting yarn. Despite fixation of prices by statutory order or voluntary regulation by the industry, the price at which consumers actually get their supply is stated to be very high. Composite mills have complained that compulsory supply of yarn has affected their pattern of production and economy. We discussed these points with representatives of different sections of the industry at the public inquiry. The unanimity of the complaints received by us against the control schemes so far implemented provides *prima facie* evidence that these have fallen short of their basic objective, that is, of ensuring ready supplies at a fair price to the consumer. From the evidence placed before us it appears that the various points in the complaints have already been brought to the notice of the Textile Commissioner who is the appropriate authority to take remedial action.

5.1. The woollen industry can be divided into four main sectors: the composite, purely spinning, purely weaving and the hosiery. In the last two of these there are large and small scale units. Some composite units have hosiery departments also. For the sake of convenience the first three sectors are dealt with together as representing, among themselves, the entire spinning and weaving sectors of the industry. The manufacture of hosiery which by and large is carried on as a decentralised or a small-scale industry is treated separately.

5.2. *Spinning and weaving sector.*—According to the “Programmes of Industrial Development, 1956-61” of the Planning Commission, the number of woollen mills including power-loom factories was 44 at the

##### 5. Structure and present position of the industry.

end of March, 1951 which increased to 122 at the end of March, 1956. As on 1st January, 1962, there were 23 composite, 19 spinning and 3 weaving units registered under the Industries (Development and Regulation) Act, 1951. In addition, according to information received by us from diverse sources there were 5 composite, 19 spinning and 191 weaving units as on the same date. The estimate regarding the number of weaving units is tentative owing to the scattered and unorganised nature of the decentralised sector of the industry for which no accurate information is available. By far the largest number of weaving units including those engaged in carpet weaving and rug making belong to the decentralised sector in and around Amritsar some of which are small powerloom factories while others have installed hand-looms. After the stoppage of yarn imports these units obviously have to depend on the production of spinning units and the prescribed releases of yarn from composite mills for their requirements of weaving yarn. In the tabular statement on next page is set forth the distribution of all units by categories and regions. A significant feature of the regional distribution as shown in the statement is the heavy concentration of units, due to historical reasons, in the Punjab which accounts for nearly 85 per cent of the total units in the country though the consumption in the area, despite climatic reasons is much less than the proportion. It is also noteworthy that Assam, Bihar, Orissa, Madras, Andhra Pradesh and Kerala do not have any spinning, weaving or composite units while Madhya Pradesh, Delhi, Rajasthan and Jammu and Kashmir have only one unit each. Geographical considerations appear to have counted little as units have not grown up on a planned basis either in the main centres of production of indigenous wool or in large consuming centres for woollen goods. Some have been established at ports to avail of facilities of imported wool though old and established units lie far inland.

सत्यमेव जयते

*Statement showing regional distribution of Composite, Spinning, and Weaving units in India as on  
1st January, 1962*

States/Territories	Composite Units			Spinning Units			Weaving Units			All Units		
	Orga- nised	Rest	Total	Orga- nised	Rest	Total	Orga- nised	Rest	Total	Orga- nised	Rest	Total
Punjab . . . . .	10	3	13	11	12	23	2	183	185	23	198	221
Maharashtra . . . . .	6	..	6	6	3	9	..	5	5	12	8	20
West Bengal . . . . .	1	..	1	1	..	1	1	2	3	3	2	5
Uttar Pradesh . . . . .	3	..	3	1	2	3	..	..	..	4	2	6
Gujarat . . . . .	2	..	2	..	..	..	..	..	..	2	..	2
Mysore . . . . .	1	..	1	..	1	1	..	..	..	1	1	2
Rajasthan . . . . .	..	..	..	..	..	..	..	1	1	..	1	1
Madhya Pradesh . . . . .	..	1	1	..	..	..	..	..	..	..	1	1
Jammu & Kashmir . . . . .	..	1	1	..	..	..	..	..	..	..	1	1
Assam, Bihar, Orissa, Madras, Andhra Pradesh & Kerala.	..	..	..	..	..	..	..	..	..	..	..	..
Delhi . . . . .	..	..	..	..	1	1	..	..	..	..	1	1
<b>TOTAL . . . . .</b>	<b>23</b>	<b>5</b>	<b>28</b>	<b>19</b>	<b>19</b>	<b>38</b>	<b>3</b>	<b>191</b>	<b>194</b>	<b>45</b>	<b>215</b>	<b>260</b>

*Sources:—Office of the Textile Commissioner and several Associations.*



### 5.3. Woollen hosiery sector :

5.3.1. The hosiery sector was one of the oldest sectors of the industry established in the Punjab. The demand from Defence Services had given it a fillip in the inter-war period. It also largely depended on cheap yarn imports. In our Report on the Woollen Hosiery Industry in 1952, we had estimated 875 units (of which 805 units were in Ludhiana) as engaged in the manufacture of woollen hosiery goods. In the course of the present inquiry we have received various estimates about the number of woollen hosiery units existing in the country. On the basis of these estimates, the total number of woollen hosiery units working at present may be placed at 908 for the whole country. This, however, is exclusive of hosiery departments of some eight mills in Punjab, Uttar Pradesh and Maharashtra and also about 163 other units which are not now in production because they either have ceased working owing to non-availability of hosiery yarn or are new units yet to commence manufacture. The region-wise distribution of hosiery units is given below :—

#### *Regional distribution of Woollen hosiery units in India*

State/Territory	Mills under I (D & R) Act	Small scale units	Total
Punjab . . . . .	5	863	868
Maharashtra . . . . .	1	6	7
W. Bengal . . . . .	..	6	6
Uttar Pradesh . . . . .	2	12	14
Gujarat . . . . .	..	4	4
Mysore . . . . .	..	4	4
Rajasthan . . . . .	..	1	1
Jammu & Kashmir . . . . .	..	4	4
Delhi . . . . .	..	5	5
Rest of India . . . . .	..	3	3
	8	908	916

5.3.2. Apart from the mills which have woollen hosiery departments, the other hosiery units are small scale units mainly located at Ludhiana. Their employment potential has grown significantly since partition and the excess capacity where shift working with power machinery is possible has created problems relating to supply of yarn. Some of the other

States such as W. Bengal, Uttar Pradesh, Maharashtra, Mysore and Gujarat also have hosiery units though most of them have closed down owing to the non-availability of hosiery yarn. In our Report on the Woollen Hosiery Industry (1952) we had estimated the total capital invested in the hosiery sector excluding mills at Rs. 3 crores approximately of which the units at Ludhiana accounted for a little over Rs. 2.5 crores. We have now been informed by the Hosiery Federation of Ludhiana that the total capital investment in the hosiery industry was of the order of Rs. 2.40 crores in 1959 and Rs. 2.44 crores in 1960, the proportion of block and working capital for the latter year being Rs. 60 lakhs and Rs. 1.84 crores respectively.

### 6.1. *Spinning capacity :*

6.1.1. The total spinning capacity in the industry in terms of spindles installed as furnished by the Textile Commissioner from 1956 onwards is given below :—  
(As on 1st January)

Year	Woollen Spindles	Shoddy Spindles	Worsted Spindles	Total
1956 . . . . .	53,504	1,260	103,348	158,112
1957 . . . . .	53,504	2,060	109,188	164,752
1958 . . . . .	53,504	4,280	116,244	174,028
1959 . . . . .	53,504	10,499	123,884	187,887
1960 . . . . .	53,504	11,419	125,884	190,807
1961 . . . . .	53,504	15,527	126,284	195,315
1962 . . . . .	53,504	18,327	128,984	200,815

The above figures show that between 1956 and 1962 there has been an increase of 27.1 per cent in the total spindleage installed. While spinning capacity in the woollen sector has remained constant the spindleage in the worsted sector has witnessed a rise of 24.8 per cent. A larger expansion has taken place in respect of shoddy spinning capacity which has gone up nearly fifteen times over 1956. This sharp increase may be attributed to Government's policy of making available cheaper varieties of fabrics to the poorer section of the community. Recently the Estimates Committee of Parliament has commented on the licensing of additional spindleage for shoddy yarn when there is already excess capacity in the industry, since surplus woollen spindles could have turned out shoddy yarn. The Estimates Committee has also criticised the licensing of additional spindles after 1958 when raw material position had already become difficult.

6.1.2. Out of the total number of 200,815 spindles installed as on 1st January 1962, the number of spindles in the units licensed under the Industries (Development and Regulation) Act, 1951 was 181,855 comprising 50,843 woollen, 12,364 shoddy and 118,648 worsted spindles. A statement showing the State-wise distribution of installed capacity of woollen factories registered under the I (D & R) Act, 1951 as on 1st January, 1962 is given in Appendix VI.

6.1.3. The productive capacity of a woollen/shoddy and worsted spindle is estimated at 5 lbs. and 2 lbs. respectively per shift per week. On the basis of 50 working weeks in a year, the annual capacity on two shifts basis comes to 500 lbs. for a woollen/shoddy spindle and 200 lbs. for a worsted spindle. On this basis the productive capacity of the industry on two shifts for each year since 1956 would work out as follows:—

(In million lbs.)  
(As on 1st January)

Year	Woollen	Shoddy	Worsted	Total
1956	26.75	0.63	20.67	48.05
1957	26.75	1.03	21.84	49.62
1958	26.75	2.14	23.25	52.14
1959	26.75	5.25	24.78	56.78
1960	26.75	5.71	25.18	57.64
1961	26.75	7.76	25.26	59.77
1962	26.75	9.16	25.80	61.71

Out of the aggregate spinning capacity of 61.71 million lbs. on two shifts as at the beginning of 1962, the productive capacity of those units registered under the I (D & R) Act comes to 55.33 million lbs. comprising 25.42 million lbs. under woollen, 6.18 million lbs. under shoddy and 23.73 million lbs. under worsted sectors.

6.2. *Production of yarn.*—Actual production of various types of yarn as furnished by the Textile Commissioner has been as follows:—

(In million lbs.)

Year	Woollen yarn (including shoddy)	Worsted yarn			Total	Carpet yarn	Grand total
		for weaving	for hosiery	for knitting			
1956	10.1 (39.5)	5.8 (22.6)	4.8 (18.8)	3.4 (13.3)	14.0 (54.7)	1.5 (5.8)	25.6 (100.0)
1957	11.6 (41.7)	6.8 (24.5)	4.3 (15.5)	3.6 (12.9)	14.7 (52.9)	1.5 (5.4)	27.8 (100.0)
1958	11.6 (39.9)	8.7 (29.9)	3.7 (12.7)	3.7 (12.7)	16.1 (55.3)	1.4 (4.8)	29.1 (100.0)
1959	12.1 (40.9)	8.2 (27.7)	3.5 (11.8)	3.2 (10.8)	14.9 (50.3)	2.6 (8.8)	29.6 (100.0)
1960	12.9 (46.2)	7.8 (28.0)	2.6 (9.4)	2.3 (8.2)	12.7 (45.6)	2.3 (8.2)	27.9 (100.0)
1961	14.9 (45.8)	7.9 (24.4)	4.3 (13.2)	2.5 (7.7)	14.7 (45.3)	2.9 (8.9)	32.5 (100.0)

NOTE.—Figures within brackets indicate percentages to grand total.

6.3. As against the two shift capacity of 61.71 million lbs. indicated in paragraph 6.1.3., the total production of yarn in 1961 was 32.5 million lbs. showing utilisation of capacity to the extent of 53 per cent. The target of production in the Third Plan has been placed at 52 million lbs. of yarn. As the above target can be met from the existing installed capacity, the Planning Commission has not recommended any further expansion of the spinning sector during the current Plan period.

#### 6.4. Weaving capacity:

6.4.1. *Organised sector.*—The number of weaving units including the weaving departments of composite mills as on 1st January, 1962 registered under the I (D & R) Act was 26, a majority of which have installed power-looms while a few worked on both power-looms and hand-looms. The total loomage installed by these units, excluding two units which worked solely on hand-looms, was 1882 at the beginning of 1962. Statewise break-down of power-looms in the organised sector is given in the statement in Appendix VI.

6.4.2. No authentic and reliable data are available regarding weaving units in the decentralised sector and the loomage installed by them. However, on the basis of information received from diverse sources, the number of weaving units in the small-scale, that is, decentralised sector, may be estimated at 191 as on 1st January 1962 with an installed capacity of 2097 looms of which a major portion consisted of power-looms.

6.4.3. The productive capacity of a power-loom is estimated at 20 yards per shift. On this basis the productive capacity of 1882 power-looms in the organised sector on two shift basis comes to 22.6 million yards of fabrics per annum (300 working days). As already stated no precise information is available regarding the actual number of power-looms installed in the unorganised weaving sector of the industry. However, in view of the sizeable loomage installed the productive capacity must be substantial.

#### 6.5. Production of fabrics:

6.5.1. According to information received from the Textile Commissioner actual production of fabrics in the last six years has been as follows:—

	(In million yards)					
	1956	1957	1958	1959	1960	1961
Suitings	5.42	6.30	7.52	6.61	6.13	6.69
Uniform cloth	0.97	1.26	1.79	1.68	1.29	1.15
Blankets and rugs	4.19	4.75	3.91	4.29	2.66	2.35
Melton and shoddy	0.16	0.28	0.48	0.23	4.52	4.24
Lohis and shawls	1.89	2.10	1.39	1.11		
Other sorts	3.71	3.80	4.00	3.85		
<b>TOTAL</b>	<b>16.34</b>	<b>18.49</b>	<b>19.09</b>	<b>17.77</b>	<b>14.60</b>	<b>14.43</b>

6.5.2. The above figures of production apparently relate to the organised sector. Against the estimated productive capacity of 22.6 million yards on two shift basis the actual production of fabrics in 1961 was 14.4 million yards which indicates utilisation of capacity of the order of 64 per cent. The Planning Commission has fixed the target for the Third Five Year Plan at 35 million yards of fabrics. As this can be met from the existing productive capacity, the Planning Commission has not recommended any expansion of the weaving sector during the current Plan period.

6.6. Regarding handloom weaving of woollen goods in the cottage sector the following estimates of production are furnished in the Planning Commission's "Programmes of Industrial Development, 1956—61":—

Kambliis, blankets and blanketing cloth	3 million yards.
Ruffle and shawls	0.25 million yards.
Patoo cloth and tweeds	1.00 million yards.
Carpets & rugs	10.00 million lbs.

#### 6.7. Expansion of spinning and weaving capacity:

6.7.1. We have been informed by the Textile Commissioner that licences under the I (D & R) Act have been granted to some of the existing units to expand their capacity and also to five new units. The particulars of these licences as on 1st January, 1962 are given below:—

Name of the undertaking	Number of spindles/looms sanctioned				Remarks
	Woollen	Shoddy	Worsted	Looms	
I. Expansion of existing units					
1. Oswal Woollen Mills, Ludhiana	..	..	800	..	
2. Woollen & Textile Industries (Private) Ltd., Bombay.	..	168	..	..	
3. New Era Hindusthan Woollen Mills, Ludhiana.	..	1,600	..	..	To be set up at Himachal Pradesh.
II. New units					
4. Central Cotton Co., Bombay	..	800	..	..	
5. Himatlal J. Dani, Bombay	..	800	..	..	
6. Kusum Hosiery Mills, Calcutta.	..	240	..	6 blanket looms	
7. Nahatta Spg. Weaving Mills, Jodhpur.	720	..	..	10 blanket looms	
8. Rajasthan Fine Worsted Spg. Mills, Jaipur.	..	..	1,000 (semi-worsted yarn).	..	
TOTAL	720	3,608	1,800	16	

6.7.2. The number of additional spindles that have been licensed but not yet installed comes to 6,128 of which 720 are woollen, 3,608 shoddy and 1,800 worsted spindles. On completion of the installation of all the additional capacity licensed, the spinning capacity of the industry is expected to go up to 64.23 million lbs. (comprising 27.11 million lbs. for woollen, 10.96 million lbs. for shoddy and 26.16 million lbs. for worsted) on two shift basis and to 57.85 million lbs. for the spinning sector under the I (D & R) Act. As is evident from the table given in the previous paragraph, only 16 additional blanket looms are yet to be installed by two units. The productive capacity of a blanket loom is estimated at 25 yards of fabrics per shift per day. When installed, these blanket looms would therefore account for an additional capacity of 0.24 million yards on two shifts per annum (300 working days). In other words, the total weaving capacity of the industry in the organised sector is likely to go up to 22.8 million yards on two shift basis.

6.8. *Capacity of hosiery sector.*—The capacity of the hosiery sector can be estimated on the basis of the number of knitting machines installed. In 1952 we had estimated 6,110 knitting machines at Ludhiana, the majority of which was of circular type and manually operated. According to the Sub-Committee appointed by the Development Council, the number of knitting machines at Ludhiana was 7,700 in 1956. We have been informed by the Hosiery Federation of Ludhiana that at present there are 10,683 knitting machines in the small scale sector in Ludhiana and 678 machines in other parts of the country. This is exclusive of 657 knitting machines working in the eight composite mills referred to earlier.

#### 6.9. *Production of hosiery goods :*

6.9.1. No authentic and comprehensive data are available about the production of hosiery goods by the large number of units in the small scale sector. The Hosiery Federation of Ludhiana has stated that actual consumption of yarn by the woollen hosiery sector was 31 lakh lbs. during 1957-58 and 32 lakh lbs. during 1958-59. On the basis of consumption of hosiery yarn furnished by the Federation the production of woollen hosiery goods should have been of the order of 29.58 lakh lbs. in 1960 and 21.40 lakh lbs. in 1961. The Hosiery Federation of Ludhiana has also stated that the yarns consumed by the hosiery sector were spun from 48, 50, 56, 58, 60, 64 and 70 tops and the counts of yarn varied from 7s to 40s though there was a limited consumption of 48s also. The yarns required were in single, double and three fold counts.

6.9.2. Production of woollen hosiery goods in the organised sector is shown in a statement given on next page.

*Statement showing production of woollen hosiery goods in the organised sector*

(In lbs.)

Name of the unit	Years					
	1956	1957	1958	1959	1960	1961
1. Raymond Woollen Mills Ltd., Thana	2,316	58,433	1,10,825	29,253	..	81,859
2. Cawnpore Woollen Mills, Kanpur	3,39,270	3,00,732	2,18,094	2,30,253	2,98,806	4,36,978
3. New Egerton Woollen Mills, Dhariwal	1,04,333	1,35,014	54,105	50,155	64,675	..
4. Panipat Woollen and General Mills Co. Ltd., Kharar. (Naveen Woollen Mills)*	..	..	8,764	61,298	37,770	27,283
5. Dayalbagh Textile Factory (Pvt.) Ltd., Agra †	..	..	..	276	369	556
6. Oswal Woollen Mills, Ludhiana (Oswal Hosiery Factory) ‡	49,507	38,799	45,346	59,593	46,161	..
7. Mahavir Woollen Mills, Ludhiana (R.N. Oswal Hosiery Factory).	41,676§	30,452§	23,186§	33,677§	44,135§	52,853
8. Commonwealth Spg. and Knitting Mills Ltd., Ludhiana ¶	..	..	..	..	..	2,176

\*Production started in 1958.

†Production started in 1959.

‡Consumption of yarn only.

§Fiscal years. Consumption of yarn only.

¶Production started in 1961. Figures refer to January—September only.

### 6.10. Utilisation of capacity :

6.10.1. As regards under-utilisation of capacity in the spinning and weaving sectors of the industry, the F.W.M.I. and the A.I.W.M.A. have stated that the factor mainly responsible is lack of adequate supply of the principal imported raw materials. The F.W.M.I. has stated that the shortage of imported wool resulted in the running of the industry on an average of  $1\frac{1}{2}$  shifts only. The Hosiery Federation of Ludhiana pointed out that only 33 to 40 per cent of the capacity in the hosiery sector is utilised at present. But representatives of the industry admitted that due to existence of equipment which is obsolete and cannot be run economically the estimated unutilised capacity may be somewhat exaggerated. They also felt that in the present market conditions, any large increase in demand cannot also be envisaged.

6.10.2. We discussed this problem at the public inquiry. We are unable to accept the contention of the industry that under-utilisation of capacity is due wholly or even mainly to the lack of availability of imported raw materials. Even prior to 1957 during the O.G.L. (Open General Licence) period, say in 1956, the spinning capacity of the industry was utilised only to the extent of 53.3 per cent, the extent of utilisation in the woollen (including carpet)/shoddy and worsted sectors being 42.4 per cent and 67.7 per cent respectively. The contention of the industry that the present under-utilisation of capacity has been due wholly to the restriction on imports of raw materials is not therefore justified.

6.10.3. Incidentally we have been informed that a number of units in the shoddy sector have been working three shifts at present. It is difficult to assess to what extent it is due to better demand for their cheap products and relatively greater availability of raw materials or flexibility of their spindleage *vis-a-vis* the woollen sector.

7. A feature of our woollen industry is that there are very few units which conform to the economic size. The Upper India Chamber of Commerce, Kanpur has informed us that a

7. The 'Economic unit' spinning unit should not consist of less than 1200 worsted or woollen spindles and a weaving unit

of less than 20 looms. According to the Planning Commission the number of spindles and looms which would constitute an economic unit are:—

(a) <i>Spinning</i>	Cap spinning	. . . . .	3,000 spindles.
	Flyer and ring	. . . . .	2,000 spindles.
	Mule spinning	. . . . .	800 spindles.
(b) <i>Weaving</i>	Woollen fabrics	. . . . .	50 looms.
	Worsted fabrics	. . . . .	20 looms.
	Shoddy and melton cloth	. . . . .	20 looms.

At present there are very few units in the industry which strictly conform to the sizes mentioned above. The fight for survival and competition for raw materials among uneconomic units acts as a drag on the



efficient and economical working to which attention has been drawn in the report of the Working Group appointed by N.I.D.C. For economic working, it is necessary that a unit should be enabled to operate two shifts a day.

8. We have been informed by the Textile Commissioner that the quality of various types of woollen yarn and fabrics has shown considerable improvement in recent years. The main difficulty in our units achieving the quality and standards of foreign countries is lack of modern production and finishing equipments. Further,

**Quality and research** only a few of the larger mills have laboratories for testing and improving the quality of their products. The Ordnance Laboratory at Kanpur has been conducting research for testing the products. In collaboration with contracting mills, it has, for instance, helped to evolve standards for better utilisation of indigenous wool in Defence supplies. However, there is no conditioning or testing laboratory in the country at present. The Textile Manufacturers' Association, Amritsar has informed us that it is establishing a testing laboratory for yarn and fabrics. It has also stated that a conditioning house should be established in the country. Quality control should particularly be necessary for exports as any export of sub-standard goods will do damage to future trade prospects.

9.1. The raw materials used in the manufacture of woollen yarn and fabrics are raw wool, wool tops (processed combed wool), shoddy wool and woollen rags. For the manufacture of quality yarn and fabrics some synthetic fibres are also used for mixing purposes.

#### 9. Raw materials

##### 9.2. Raw wool :

9.2.1. There are three main groupings of raw wool, namely, Merino, Crossbred and Carpet. The first two comprise the apparel class although such wool is not used exclusively for such purpose. There is yet no international agreement on the exact delimitation of these groups but a widely accepted division in terms of Bradford quality groups is as follows:—

Merino wool . . . . .	60s and upwards
Crossbred wool . . . . .	46s to 58s
Carpet wool . . . . .	upto 44s

9.2.2. According to the "Programmes of Industrial Development, 1956—61" the different types of wool, indigenous and imported, utilised by the Indian industry in the production of woollen goods comprise the following:—

- (a) *Indian plain wools of coarse and fine variety*—for the manufacture of army blankets and woollen carpet yarn, tweeds, overcoatings, rugs, etc.

- (b) *Hill types*—for the production of serge yarns and low grade hosiery.
- (c) *Crossbred wools*—for medium serge warps, worsted wefts and medium hosiery yarns.
- (d) *Merino wools*—for flannels, overcoatings and superfine broad-cloths.

9.2.3. *Indian production.*—At present India produces mainly the carpet type of wool and the industry has, therefore, to depend almost entirely on imported finer wool for the manufacture of finer yarns and fabrics. According to the Third Five Year Plan, the production of wool in India is 72 million lbs. out of which about one half is exported. The main types of Indian wool as furnished by the Agricultural Marketing Adviser to the Government of India are set forth in Appendix VII. Out of them Chokla, Magra, Nali, Joria, Patanwali and Kutchi wool are available in Rajasthan and North Gujarat regions, while Bagri and Sotar wool are found in the Punjab and Himachal Pradesh. Kashmir is famous for the Pashmina type of wool and the Southern parts of India for Deccani. In all these types both white and yellow coloured wools are found. No authentic data on the colourwise production of wool are available. The Third Five Year Plan provides for certain sheep and wool development schemes as a result of which the production of wool is expected to go up to 90 million lbs. by the end of 1965-66 and some better quality of wool may be produced. In view of the greater demand by indigenous industry for quality wools, a large programme for correct shearing as well as systematic grading is also provided for in the Plan.

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9.2.4. *Raw wool markets and prices.*—Formerly Fazilka, Quetta and Kandahar used to be the principal markets for purchase of raw wool. Following partition, these areas have become inaccessible to Indian consumers of raw wool. For supply of good quality Indian wool the indigenous industry has now to depend more and more on Rajasthan and other sources within the country and in fact, Bikaneri wool is currently being used for the preparation of combed tops. Prices of indigenous wool are subject to wide fluctuations.

### 9.3. *Wool tops:*

9.3.1. Besides Merino and Crossbred wool the spinning sector of the industry is using a large quantity of imported wool tops. Wool tops are mostly imported from the U.K., Australia and Japan and to a small extent from France, West Germany, South America and Belgium. In order to make adequate wool tops available from indigenous sources and save foreign exchange on imports, several firms have been granted licences under the I (D & R) Act for the manufacture of wool

tops. Their licensed capacity, location and state of progress as on 1st January, 1962 are mentioned below:—

Name of the Unit	Licensed capacity per annum on single shift (In million lbs.)	Remarks
1. Bombay Fine Worsted Mfrs. 'Castle Mills', Thana.	1.5	Not yet completed the project. To be set up at Dehra Dun. (U.P.)
2. Dhruva woolen Mills Pvt. Ltd., Bombay.	1.5	Not yet completed the project. To be set up at Bombay.
3. Foreign Import & Export Association, Bombay.	1.5	Not yet completed the project. To be set up at Kotah (Rajasthan).
4. Isaac Holdens (India) Ltd., Duncan Bros.) Calcutta.	10.0	Partly completed the project at Jagatdal, West Bengal.
5. Kanshiram Kidarnath, Bombay.	1.5	Sold to Modella Woollens Ltd., Bombay. Not yet completed the project. To be set up at Chandigarh (Punjab).
6. R.K. Wool Combers, Ludhiana	1.2	Already completed the project.
7. All India Wool Combers' Co-operative Society Ltd., Ludhiana.	5.0	Not yet completed the project.
8. Asian Combing Mills, Ludhiana.	0.4	Not yet completed the project.
9. Pearl Woollen Mills (1), Ludhiana.	1.3	Already completed the project.
<b>TOTAL</b>	<b>23.9</b>	

9.3.2. Thus, as on 1st January, 1962 an aggregate capacity of 23.9 million lbs. was licensed for the manufacture of wool tops out of which only three firms, namely, Isaac Holdens (India) Ltd., Calcutta, R. K. Wool Combers, Ludhiana and Pearl Woollen Mills (1), Ludhiana have commenced production. The factory of Isaac Holders commenced production on 15th January, 1961 and is working at present on three shifts per day. It expects to attain the full capacity of 10 million lbs. in early 1963 provided import licences for new machinery are issued in time. Its capacity by the end of 1962 is expected to be 6.5 million lbs. Production of wool tops in 1961 was 1.18 million lbs. only. Isaac Holdens is only a commission comber and does not buy raw wool or sell wool tops. Overseas top makers or Indian spinners consign raw wool to this concern for processing into wool tops and the arrangements made for this are reported to be working satisfactorily. As regards R. K.

Wool Combers, its present annual installed capacity on single shift is 1.2 million lbs. Production commenced in September, 1960 and during September-December 1960 it was 48,241 lbs. and in 1961, 0.30 million lbs. It gets raw wool according to the quotas fixed by the Central Government. Production of wool tops in Pearl Woollen Mills (I), Ludhiana amounted to 0.12 million lbs. in 1961 comprising 0.03 million lbs. from indigenous wool and 0.09 million lbs. from imported wool.

9.3.3. Besides the above, Raymond Woollen Mills, Thana and the two mills under the BIC group at Kanpur and Dhariwal have wool combing capacity of 2.5 million lbs. and 4.4 million lbs. respectively for their own consumption. Thus the total combing capacity likely to be available at the end of the Third Plan Period will be of the order of 30.8 million lbs. The target of production for wool tops at the end of this period has been fixed at a slightly higher figure of 31.5 million lbs.

9.3.4. The prices of wool tops per lb. at Bradford (converted into Indian currency) based on average U.K. home trade rates as furnished by the Textile Commissioner for each of the years since 1958 are given below:—

Colonial tops	(In Rs. per lb.)							
	1958		1959		1960		1961	
	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum
70s Warp	5.50 (Dec.)	7.11 (Jan.)	5.39 (Jan.)	6.83 (Aug.)	5.78 (Dec.)	6.61 (Jan.)	5.78 (Jan.)	6.50 (Aug.)
64s Supe. (B)	5.06 (Dec.)	6.44 (Jan.)	4.94 (Jan.)	6.39 (Sept.)	5.28 (Oct.)	6.22 (Jan.)	5.33 (Jan.)	6.11 (June.)
60s Super	4.72 (Dec.)	6.11 (Jan.)	4.67 (Jan.)	6.11 (Aug.)	4.94 (Oct. & Dec.)	5.72 (Jan.)	4.94 (Jan.)	5.61 (Aug.)
54s Carded	3.33 (Oct.)	4.61 (Jan.)	3.83 (Jan.)	4.72 (Aug., Sept., & Dec.)	4.33 (Oct.)	4.78 (Jan.)	4.33 (Jan.)	4.67 (Sept.)
48s Carded	3.44 (Oct.)	4.22 (Jan.)	3.56 (Jan.)	4.50 (Aug. & Sept.)	4.06 (Oct.)	4.56 (Jan.)	4.00 (Dec.)	4.28 (May.)

NOTE.—The month/s indicated within brackets are the periods when prices were minimum and maximum.

#### 9.4. Synthetic fibre tops:

9.4.1. Synthetic fibres are being used with wool in the manufacture of woollen fabrics and hosiery goods. The main fibre used at present is terylene. There is no indigenous production of this fibre or other

synthetic fibres suitable for the industry and small quantities are allowed to be imported. It has been claimed that with a larger availability of man-made fibres for blending, production of woollen goods can be increased substantially as such fibres make a good blend with indigenous wool and crossbred.

9.4.2. The following three units have been granted licences under the I(D & R) Act for the manufacture of synthetic fibre tops with the installed capacity shown against each:—

Name of the unit	Licensed capacity per annum (In million lbs.)	Remarks
1. Arthur Import Export Co., Bombay	1.00	Project to be set up at Bombay.
2. Commonwealth Spg. & Knitting Mills, Ludhiana.	1.00	Project to be set up at Ludhiana.
3. Shri Hiralal Baldev Kishan, Amritsar.	1.56	Project to be set up at Thana.
TOTAL	3.56	

9.5. *Shoddy wool, rags, noils, etc.*—Other raw materials used in the manufacture of woollen goods are shoddy wool and rags which are mostly imported.

9.6. *Dyes and chemicals.*—The industry's demand is for chrome dyes, premetallised dyes and certain special types of acid dyes which are not manufactured in the country and are imported. Some acid dyes are produced in the country but, according to F.W.M.I., their quality is poor.

9.7. *Present system of allotting quotas.*—The Textile Commissioner has furnished the following information as regards the policy for issuing actual users' licences for raw wool, wool tops and shoddy wool to spinning units in the industry. During the current licensing period October 1961—September 1962 the allocation to shoddy spindles has been made at the rate of Rs. 600 per spindle. Units spinning worsted yarn have been given during this period licences of the value equal to 50 per cent of their certified consumption in the basic period subject to a maximum of Rs. 750 per spindle and a minimum of Rs. 400 per spindle. For this purpose, two woollen spindles have been treated as equal to one worsted spindle. For units which have installed new spindles after September 1957, the allocation is Rs. 550 per new spindle.

9.8. *Quality of raw materials.*—According to the industry, the quality of the imported raw materials is satisfactory. We discussed the problem of larger utilisation of Indian wool by the industry at the public inquiry where it was urged by several representatives that it would not be economical due to comparatively higher percentage of

losses in scouring, carding, combing, drawing and spinning processes and that even for its limited use much depends on the results of the experiments undertaken by the industry.

10.1. *Raw wool*.—The apparent consumption of raw wool by all sectors of the industry during each of the years since 1956 has been estimated as follows:—

	(In million lbs.)					
	1956	1957	1958	1959	1960	1961
Production	68.3	68.3	68.3	72.0	72.0	72.0
Imports	4.1	3.1	3.0	2.6	3.5	9.7
TOTAL	72.4	71.4	71.3	74.6	75.5	81.7
Exports	35.1	37.8	33.9	42.1	30.6	32.1
Apparent Consumption.	37.3	33.6	37.4	32.5	44.9	49.6

Indigenous production has been estimated to be of the order of 72 million lbs. while exports which were the highest in 1959 dropped steeply in 1960. There was a slight recovery in 1961 but even then the quantity exported fell short of the 1959 figure by 10 million lbs. Consumption of raw wool has been going up steadily since 1959.

10.2. *Wool tops, shoddy wool and wool waste*.—The quantities of wool tops, shoddy wool and wool waste available for domestic consumption during the years 1956 to 1960 were as under:—

	(In million lbs.)					
	1956	1957	1958	1959	1960	1961
<i>Wool tops</i>						
Production	..	..	..	..	N	..
Imports	15.0	16.3	15.9	15.2	14.9	..
TOTAL	15.0	16.3	15.9	15.2	14.9	..
Exports	..	..	..	..	..	..
Consumption	15.0	16.3	15.9	15.2	14.9	..
<i>Shoddy Wool and Wool waste</i>						
Collection from domestic sources*	..	0.9	1.0	0.8	0.9	1.0
Imports†	..	2.7	3.3	4.1	6.8	9.8
TOTAL	..	3.6	4.3	4.9	7.7	10.8
Exports†	..	0.1	N	N	N	0.1
Consumption	2.3*	3.5	4.3	4.9	7.7	10.7

NOTE.—\*Estimated.

†Including other animal hair.

As the above figures show, there was a steep rise in the consumption of shoddy wool and wool waste (including other animal hair) from 4.9 million lbs. in 1959 to 10.7 million lbs. in 1961.

### 10.3. Prospects of availability :

10.3.1. In view of the wool combing capacity actually installed or expected to be installed by the end of the Third Plan, imports of wool tops will be progressively substituted by indigenously produced tops. With this end in view, an increased volume of import of raw wool is contemplated for indigenous combing purposes. We are informed by the Textile Commissioner that about 41 million lbs. of raw wool may represent the import requirements of the industry by the end of 1965-66. The Textile Commissioner has also informed that licences have been issued for the import of woollen raw materials (raw wool, wool tops and shoddy wool) for 1961-62 within the overall monetary ceiling of Rs. 9 crores. Within this monetary ceiling, a sum of Rs. 1 crore is earmarked for the import of shoddy wool. As regards imported raw wool, the Textile Commissioner estimates that the requirements of the industry during 1961-62 would not exceed Rs. 80 lakhs, that is, 10 per cent of the remaining Rs. 8 crores. Thus, the balance of Rs. 7.20 crores is the amount available for import of wool tops during 1961-62 and at the average rate of Rs. 5.50 per lb. of tops, should be sufficient for 13 million lbs. of wool tops. At the public inquiry we were informed that the use of Indian wool for worsted spinning would have to be a gradual process for reaching in three years a target of 1.50 million lbs. a year.

10.3.2. The availability of different types of woollen raw materials during the next few years may be estimated as follows. Taking first shoddy wool, actual values of imports were Rs. 12 lakhs in 1958, Rs. 26 lakhs in 1959 and Rs. 53 lakhs in 1960. We are informed that during the current licensing period imports of shoddy wool and woollen rags are being permitted subject to the condition that the average price of these raw materials will not exceed 15½d or Re. 0.87 nP. per lb. c.i.f. The Textile Commissioner has estimated that the annual requirements of imported shoddy wool till 1965-66 would be of the order of 11.5 million lbs. valued at Rs. 96 lakhs. We consider that an allocation of Rs. 1 crore for import of shoddy wool should meet the full requirements of the industry. As regards raw wool, a provision of Rs. 80 lakhs on this account during 1961-62 does not fall very much short of the values of imported raw wool in previous years which were Rs. 111 lakhs in 1958, Rs. 79 lakhs in 1959 and Rs. 131 lakhs in 1960, that is, when indigenous combing did not make significant progress. A progressive diminution in the import of wool tops is envisaged as a matter of policy. According to the prevalent relative prices of imported raw wool and tops, the substitution of raw wool for tops would mean an additional supply of 15 per cent in quantity of available raw material. The substitution would, as stated above, have to be a gradual process depending on the progress of indigenous combing units.

10.3.3. We discussed the problem with the various interests at the public inquiry and have made a tentative estimate of the total supply

position of wool tops (exclusive of shoddy and raw wool separately provided for) for worsted spinning for 1962, 1963 and 1964. They are as follows:—

(In million lbs.)

#### 1962

Import allocation . . . . .	13·00
Indigenous combing—extra . . . . .	0·65
Indigenous wool . . . . .	0·50
Export Promotion . . . . .	1·50
<b>TOTAL</b> . . . . .	<b>15·65</b>

#### 1963

Import allocation . . . . .	13·00
Indigenous combing—extra . . . . .	1·30
Indigenous wool . . . . .	1·00
Export promotion . . . . .	1·50
<b>TOTAL</b> . . . . .	<b>16·80</b>

#### 1964

Import allocation . . . . .	13·00
Indigenous combing—extra . . . . .	1·50
Indigenous wool . . . . .	1·50
Export promotion . . . . .	1·50
<b>TOTAL</b> . . . . .	<b>17·50</b>

#### 11.1. Demand for woollen yarn :

11.1.1. According to the statement in Appendix VIII, the consumption of different types of woollen yarn during the years 1959, 1960 and 1961 was as follows:—

**Demand for woollen yarn and fabrics.**

(In million lbs.)

	1959	1960	1961
1. Woollen and shoddy yarn . . . . .	12·66	12·92	14·94
2. Weaving yarn including hosiery yarn . . . . .	11·71	10·41	12·28
3. Knitting yarn . . . . .	3·19	2·29	2·47
4. Others including carpet yarn . . . . .	2·68	2·46	2·94
<b>TOTAL</b> . . . . .	<b>30·24</b>	<b>28·08</b>	<b>32·63</b>



11.1.2. We have received estimates from FWMI and AIWMA regarding the future requirements of woollen yarn which are given below:—

## FWMI

Year	Woollen yarn (In million lbs.)	Worsted yarn including hosiery yarn (In million lbs.)	Total (In million lbs.)
1962-63 . . . . .	19.00	22.50	41.50
1963-64 . . . . .	20.00	24.30	44.30
1964-65 . . . . .	22.00	26.00	48.20
1965-66 . . . . .	24.00	28.00	52.00

## AIWMA

Year	Woollen yarn (In million lbs.)	Worsted Yarn including hosiery yarn (In million lbs.)	Total (In million lbs.)
1962 . . . . .	17.77	19.60	37.37
1963 . . . . .	18.66	20.58	39.24

11.1.3. The Textile Commissioner has furnished us the following estimates of the current and future demand for woollen and worsted yarn:

(In million lbs.)

	Woollen Yarn	Worsted yarn	Total
1962-63 . . . . .	19.00	22.50	41.50
1963-64 . . . . .	20.00	24.30	44.30
1964-65 . . . . .	22.00	26.20	48.20
1965-66 . . . . .	24.00	28.00	52.00

11.1.4. We have given the matter our careful consideration and our conclusion is that the estimates furnished by the Textile Commissioner represent the potential demand for different types of woollen yarn in the immediate future.

## 11.2. Demand for woollen/worsted fabrics :

11.2.1. According to the statement in Appendix IX, the consumption of different types of woollen/worsted fabrics and hosiery goods (excluding those in the small scale sector) during each of the years since 1959 was as follows :—

	1959	1960	1961
	(In million yards)		
I. Woollen fabrics			
(1) Suitings . . . . .	6.09	5.96	6.45
(2) Blankets and rugs . . . . .	4.13	3.07	2.18
(3) Melton and shoddy . . . . .	0.23	0.02	N
(4) Lohis and shawls . . . . .	0.91	0.63	0.47
(5) Uniform cloth . . . . .	1.68	1.29	1.15
(6) Other sorts . . . . .	3.88	3.65	3.71
TOTAL	16.92	14.62	13.96
	(In million lbs.)		
II. Hosiery goods . . . . .	0.36	0.44	0.40

11.2.2. The Textile Commissioner has estimated the current (1962-63) demand for woollen/worsted fabrics at 23 million yards and for the next three years as follows :—

	In million yds.
1963-64 . . . . .	27.00
1964-65 . . . . .	31.00
1965-66 . . . . .	35.00

11.3. Demand for shoddy fabrics.—The Shoddy Manufacturers' Association has estimated the demand in 1961 for shoddy handloom woollen fabrics and blankets at about 7.5 million lbs. (or 5.5 million yards) and between 7.5 million lbs. and 9.0 million lbs. during each of the next three years.

11.4. Demand for hosiery goods.—We have not received any estimates of demand for hosiery goods and knitwear. The Hosiery Federation of Ludhiana has furnished the following estimates of current and future consumption of hosiery yarn in the small scale sector :—

	(In million lbs.)
1962 . . . . .	3.6
1963 . . . . .	3.7
1964 . . . . .	4.0

12.1. *Import control policy.*—Since 1st July, 1957 raw wool (Merino and Crossbred only) has been removed from O.G.L. in respect of soft currency areas. At present only actual users are permitted to import on an *ad hoc* basis raw wool and wool tops including wool waste/shoddy wool and woollen rags in consultation with the Textile Commissioner. Import of woollen yarn, weaving yarn and knitting wool excluding hand knitting wool by established importers is banned. Similarly, imports of woollen fabrics of any description have been prohibited. The import control policy for raw wool and wool tops for the period October 1961—September 1962 and for woollen yarn and fabrics for the period April 1962—March 1963 is given in Appendix X.

12.2. *Exports.*—About one half of the output of Indian wool is now exported. Among manufactures exported, carpets, knitwears, worsted and woollen piecegoods, shawls, lohís and druggets are important. Woollen piecegoods mixed with other fibres are also exported. A statement showing actual exports of woollen manufactures for the years 1957 to 1961 is given in Appendix XI. It is noticed that exports of shawls and lohís increased considerably since 1958 but registered a sharp decline in 1961. Exports of woollen piecegoods touched the peak during the year 1959 but declined in the subsequent years below the 1958 level.

### 12.3. *Export Incentive Scheme :*

12.3.1. The Government of India introduced an export incentive scheme for woollen goods in April 1959. This incentive scheme provided for the grant of licences for the import of raw materials, accessories, dyes and chemicals against exports (past and prospective) of the finished product.

12.3.2. *Present scheme.*—Under the latest incentive scheme announced on 18th July, 1961, the total import entitlement is 85 per cent of the f.o.b. value of the goods exported in the case of woollen textiles, yarn and hosiery and 50 per cent in the case of woollen garments and shawls. The item-wise import entitlements are as follows:—

Item	Maximum value (% of f.o.b. value of export) for which import licence for the item may be availed of out of the total entitlement.
1	2

#### (A) *Against exports of woollen textiles, hosiery and yarn.*

- |  |  |
|--|--|
| (i) Raw materials                        | 85% of f.o.b. value.   |
| (ii) Embellishments (in case of hosiery) | 1% of f.o.b. value of hosiery exported containing such embellishments. |

1	2
(iii) Dyes and Chemicals . . . . .	10% of f.o.b. value of export less what is availed of for embellishments under (ii) above.
(iv) Permissible items of machinery, consumable stores, spare parts and accessories for replacement purposes not involving expansion of the plant.	20% of f.o.b. value of export.

The entitlement for machinery could be accumulated for a period of three years, that is, upto 1963-64.

**(B) Against exports of woollen garments—**

- (i) Raw materials . . . . . 50% of f.o.b. value of export less what is utilised under (iii) below.
- (ii) Embellishments . . . . . 1% of f.o.b. value of garments exported containing such embellishments.
- (iii) Industrial sewing machines . . . . . 10% of f.o.b. value of export.

**(C) Against exports of woollen shawls—**

- Raw materials . . . . . 50% of f.o.b. value of export.

**(D) Against export of woollen carpets, rugs and druggets—**

- (i) Dyes and Chemicals . . . . . 5% of f.o.b. value of export.
- (ii) Raw materials (only in case of carpets the f.o.b. value of which is not less than Rs. 20 per sq. yard.)
  - (a) 10% of f.o.b. value of export if the carpets contain 60 or less knots per sq. inch.
  - (b) 20% of f.o.b. value of export if the carpets contain 61 or more knots per sq. inch.

Manufacturing exporters under the 'organised mills sector' who are at present given actual users' licences for import of raw wool and wool tops are eligible under the scheme to get a maximum of 20 per cent of the value of their current actual users' licences in advance and they can utilise 10 per cent of the face value of such licences for import of dyes and chemicals. Manufacturing exporters of hosiery, garments, shawls, carpets, rugs and druggets in the 'miscellaneous sector' even though they are not recipients of actual users' licences, on production of proof of firm export contracts, will be entitled to receive advance licences upto two-thirds of the entitlement for the import of admissible raw materials. The exporters of hosiery are also entitled to utilise 10 per cent of the face value of import licences for import of dyes and chemicals.

12.4. *Industry's representations on import/export policy.*—We have received certain complaints from the industry regarding difficulties encountered by it in obtaining supplies of raw materials, spare parts and machinery on account of limited import licence facilities and they are examined below.

#### 12.4.1 *Raw materials :*

12.4.1.1. FWMI has stated that inadequate supply of imported raw materials, especially of wool tops, has been aggravated since the time these were taken off the O.G.L., that from year to year there has been a progressive cut in the value of import licences issued to the industry for its raw material requirements and that, as a result, the worsted section of the industry, which has to depend almost wholly on imported wool tops has been severely hit; the woollen section requiring 90 per cent of imported raw materials has also not been spared. FWMI has urged that the basic problem is one of shortage of imported raw materials to which the various measures of control on production and distribution so far implemented have failed to provide any relief or satisfactory solution. It has further stated that if Rs. 4 crores of additional foreign exchange is provided for the import of raw materials, the industry would be able to attain economical and efficient production and meet current requirements.

12.4.1.2. While the volume of production is limited by the available supply of raw materials and has an important bearing on costs and determination of fair prices, we consider the proposal of FWMI to be unrealistic in the prevailing difficult conditions of foreign exchange. For the purpose of our inquiry, however, we have considered it proper to proceed on a conservative basis and have presumed that the current import ceiling of Rs. 9 crores and the pattern of imports of different raw materials within the limits of that ceiling will continue for some more time.

12.4.2. *Spare parts.*—FWMI has strongly urged the difficulty of getting spare parts of machinery. This matter was discussed at the public inquiry. The representative of the Textile Commissioner stated that highest priority was being given to the import of spare parts.

12.4.3. *Machinery.*—As regards import of machinery, the representative of the Textile Commissioner stated at the public inquiry that subject to the overall availability of foreign exchange for the woollen industry for grant of actual users' licences, the current policy is to allow liberal import of machinery from rupee payment countries.

13.1. For a better appreciation of our approach to costing we give  
13. *Process of manufacture.* briefly the major production processes in the industry.

#### 13.2. *Preparation of wool :*

13.2.1. Raw or virgin wool contains extraneous material like dried perspiration, grease and other dirt. To get clean wool, it has to be scoured. Scoured wool is used for spinning woollen yarn.

13.2.2. For worsted yarn, wool has got to be further processed through combers to make tops. The purpose of combing is to separate the short and non-uniform fibres which are deposited as noils, to remove neps and extraneous impurities and to effect the parallelisation of the remaining fibres necessary to deliver them in sliver form.

13.2.3. Woollen yarn can also be manufactured from waste wool recovered by mechanical teasing from used woollen rags and also from hosiery which is known as shoddy wool.

13.2.4. The impurities present in raw or virgin wool which are removed by scouring are known as sinkage and the cleaned scoured wool emerging is called the yield. Generally the sinkage is of sufficient volume to cause considerable difference between price of raw wool and that of the cleaned or scoured wool. A proportion of the visible wastes arising from combing of wool into tops can be utilised in manufacture of inferior grades of yarn.

13.2.5. In woollen and shoddy spinning blending is an important process. In recent times blending of wool tops with synthetic fibres like nylon, terylene, etc. has become quite common for worsted spinning.

### 13.3. *Spinning :*

13.3.1. *Woollen spinning.*—Scoured wool or shoddy wool is carded and condensed and then spun into yarns on mules or ring frames. In India woollen yarn is generally spun on mules.

13.3.2. In worsted spinning, the top slivers are required to be reduced to the necessary thickness and uniformity for the production of satisfactory yarn in spinning operations. The top slivers thus reduced in thickness is called roving. This is done in stages through gill boxes, drawing boxes etc. and suitable number of doublings are employed in each stage of the operations to obtain a level roving. This whole set of operations required to reduce the top to the desired weight of roving is known as 'drawing'. The drawing machinery is always laid out in sets arranged with suitable drafts and doublings to produce the desired weight of roving. The weight in drams per 40 yards of roving usually decreases in stages as the count of yarn to be spun therefrom increases.

13.3.3. The systems of drawing machinery utilised for making rovings differ with the kind of tops from which the rovings are to be prepared. For oil-combed tops, the English or Bradford system of drawing and spinning is used. For dry-tops the French or Continental system is employed. In the roving produced in the English system some twists are imparted, but rovings produced in the French system are twistless.

13.3.4. The rovings in bobbins are creeled on to spinning frames and spun into yarn of required counts and twists. The spindles associated with the English system are generally of three kinds, namely, cap, flyer or ring. In the French system usually only ring frames are used. In India the majority of the spinners are equipped with the

English system but some units have also the French or Continental system in which the number of drafting processes involved before the spindle stage have been considerably reduced (thereby achieving some production economies). The yarn obtained from the English system is stated generally to be smooth and compact in appearance while in that from the French or Continental system the appearance of the yarn is soft or full. The essential feature of the English or Bradford system is the processing in oil of combed fibre and the use of twist in slubbing as fibre control during drafting. It is claimed that it can handle all fibres.

13.3.5. Twists given to different kinds of yarn depend not only on the count of yarn and quality of top but also on the end use to which it is to be put. Usually hand knitting yarn is given the lowest number of twists per inch; twists given to hosiery yarn are midway between hand knitting yarn and weaving yarn. Weaving yarn is given the largest number of twists. It is stated that flyer spindles are more suitable for hand knitting yarn and hosiery yarn while the cap spindles are considered to be more suitable for weaving and hosiery yarn.

13.3.6. For several purposes two or more single threads of worsted yarn are required to be twisted to obtain either a stronger yarn or a yarn with some special characteristics. This is done on various kinds of twisting frames.

13.3.7. For sale the yarn is either reeled into hanks or wound into cones or cheeses and packed.

13.3.8. Spinning and doubling involve waste at different stages, some of which is visible and some invisible. A proportion of visible waste can be used for spinning inferior kinds of yarn.

13.4. Both woollen and worsted yarn can be dyed in wool or top or in hanks. The dyed tops are required to be re-combed involving wastage.

### 13.5. *Weaving :*

13.5.1. Warp yarn (woollen or worsted) is required to be beamed; weft yarn is required to be wound on pirns. Weaving which is the next operation usually consists of inter-lacing warps and wefts in required patterns to form cloth. For worsted fabrics, the weaving is done usually on powerlooms; for woollen fabrics both power-looms and handlooms are used.

13.5.2. The finishing operations are many. Usually perching (for examining imperfections and mending them) and scouring are applied to all kinds of fabrics. Other finishing operations, such as milling (forming the cloth into well interlaced felty mass), steaming or crabbing (for relaxation of strains and a permanent set), raising, cropping, etc. are applied with reference to the particular finish desired.

13.5.3. Woollen or worsted fabrics when not dyed in the wool or in the top stage are piece dyed.

13.5.4. Before final packing, the fabric is again checked for defects which are indicated by flags.

### 13.6. *Hosiery goods :*

13.6.1. Hosiery goods consist of several types of garments. These include sweaters, pullovers and coats of numerous designs and sizes, mufflers, scarves, caps, socks, under-garments, etc.,—all prepared in different types of knitting machines. Garments having tubular shapes are generally knitted so that shape in circular knitting machines and subsequently some amount of sewing work is needed for stitching the sleeves, borders, etc. Flat knitting machines are used to produce continuous hosiery cloth from which garments have to be tailored and stitched.

14.1. Our terms of reference envisage comprehensive costing of all types of yarns and fabrics. Yarns currently produced in India by different sectors of the industry are classified according to either Bradford counts or Metric counts. Yarns spun in India are not strictly in accordance with the standards laid down for the respective counts inasmuch as the standard moisture regain is rarely allowed for. As spun yarns, whether sold as such or consumed by the composite units, constitute the basic raw material for manufacture of fabrics and hosiery goods, we have decided to undertake detailed costing for all types of worsted, woollen and shoddy yarns over as wide a range of counts as possible.

14.2. As regards woollen, shoddy or worsted fabrics, the problem of costing is complicated owing to the numerous varieties manufactured by the different units in the industry and the wide difference in quality and design which to a large extent is determined by consumer preference. In this case we decided to ascertain the unit costs for the several processes involved so that it would be possible to determine the cost of a fabric manufactured by any unit on the basis of the relevant specifications.

14.3. We have considered it enough to confine the costing of fabrics to the organised sector of the industry, as despite the variation in design, the products of this sector include certain staple items of more or less fixed quality standards for meeting distinct needs of different sections of consumers. Their production data are also likely to be more reliable when used for constructing a formula for conversion charges. We have not considered it necessary to undertake separate costing of the units in the small scale sector as these do not have any standardised production or reliable cost data. The units in this sector which have limited resources do not enjoy the market reputation of the large manufacturers. They are sustained by the price leadership of the bigger units in the organised sector and have to undersell the latter to meet competition. Any decision taken about the fair prices of yarn and fabrics produced in the organised sector would, therefore, cover the units in the small scale sector.



14.4. As regards hosiery goods, the complications arising from the existence of numerous designs and varieties mentioned in connection with other types of fabrics are even more pronounced and the detailed costing of only a few representative types appeared to be a feasible proposition. Among the bigger units there are a few producing hosiery goods along with other fabrics, but they produce hosiery goods largely for meeting the requirements of the Defence Services and according to specifications of the latter. Their costs cannot, therefore, be regarded as representative of the industry as a whole and cannot be adopted as a dependable basis for judging the fairness or otherwise of the prices of the bulk of hosiery goods produced in the small scale sector for civilian consumption. This has indicated the necessity of costing a few hosiery units in the small scale sector.

14.5. As the raw materials in all these cases account for the major part of the total cost and the prices thereof fluctuate according to varying conditions of world trade we have found it necessary, particularly for purposes of recommending fair prices for future, to isolate the cost of raw material and determine the conversion charges only. In other words, we have to arrive at the manufacturing costs by assessing conversion charges exclusive of the raw material content, the cost of which at any rate could be added to the conversion costs to arrive at the cost per unit of yarn and/or fabric produced. For this purpose, however, it would be necessary to determine the net in-put of raw materials for the finished product.

14.6. Our pragmatic approach to the question of price fixation has to take note of the following basic facts relating to the industry. It is an industry producing an essential commodity for the needs of the common man. Its growth has been somewhat haphazard and production units have to face on the one hand a degree of under-utilization of capacity due to lack of enough raw material and on the other continuance in production of old and inefficient machinery needing replacement. A good deal of the demand for yarn arises from the small units in the decentralised sector which have surplus capacity and whose production in a sheltered market is likely to be flexible depending on raw material availability and the price of the product produced in the organised sector. Price controls and production controls have been initiated but have not yet been fully effective to ensure that at the retail end the consumer gets his requirements at a fair price. Strict enforcement of controls by Government authorities involves also co-operation between the producer and the distribution tiers, as well as the development of public spirit amongst consumers to press their claims. With uncertainties on account of foreign exchange availability for imports of raw materials, spares and capital machinery, accurate forecasts of the industry's future performance and costs are difficult. Estimates can cover only a short period and because of fluctuating factors, the statutory price structure must be sufficiently flexible and amenable to changes from time to time.

### 15.1. *Selection of units:*

15.1.1. As stated in paragraph 3.3 we selected ten woollen and worsted manufacturing units, out of which eight were composite units manufacturing both yarn and fabrics and two were spinning units, for examining the cost of production of woollen, worsted and shoddy yarn and fabrics. We also selected nine hosiery units for examining the cost of hosiery articles but the data available with five of them were much too scanty to be useful.

15.1.2. The cost of one of the eight composite units could be examined for a full period only after the public inquiry. It had the unusual facility and consequent economy of being able to spread the fixed charges of its godowns and stores, its piece dyeing finishing, packing and warehousing departments and its overheads and selling expenses over the combined production of its own and that of a sister unit of comparable capacity located within the same precincts. The sister unit equipped with high speed spindles and modern looms lacked the finishing departments mentioned above and was treated as a mere commission spinner and weaver. Almost its entire production was taken over, finished and marketed by the first unit. Other special factors also affect the economy of this unit. For example, apart from the spreading of the overheads over the combined production of the two units, the overheads charge itself is low because of some of the office facilities being shared between the two units; almost the entire production of fabrics of this unit is being piece dyed, thus minimising the fixed expenses connected with fabric designing; its production being limited to a few varieties of yarn and fabrics mainly fine worsted as compared to the other units of its size, gave it longer runs and consequent economy of operation. The combined effect of all these is that its costs were found unusually low compared even with the other units of like size. After carefully considering all aspects of the matter, we decided that the methods of operation of this unit cannot be taken to be typical for the industry as a whole and left it out of our reckoning of costs.

15.1.3. Another of the units selected even initially was considered suitable for an examination of its yarn costs only. The data available in two other composite units in respect of their weaving activities which were relatively small were found to be inadequate to arrive at a fair cost of weaving.

15.1.4. Thus, ultimately, the data utilised after cost examination for various categories of articles were confined to nine units for worsted yarn, six for woollen and shoddy yarn, four for worsted fabrics, three for woollen and shoddy fabrics and six (including two composite units) for hosiery goods. The capacity covered by the selected units is about 37 per cent for woollen and shoddy spinning, 42 per cent for worsted spinning and 47 per cent for weaving. They produced 36 per cent of the total woollen yarn, 44 per cent of worsted yarn and 35 per cent of total fabrics produced in the country. Figures for woollen yarn are inclusive of those for shoddy since some of the units do not record them separately.

15.1.5. The selected units were costed for their latest financial year ending 31st December, 1960 or 31st March 1961. Our Cost Accounts Officers attempted to ascertain the unit costs for each of the processes involved in spinning or weaving as far as data available permitted; by applying such unit costs in the usual way they also worked out the costs of several varieties of yarn and fabrics. Depreciation has been calculated at income-tax rates on written down values of assets with an allowance for double shift when applicable. Depreciation so calculated has been apportioned between the different processes involved in spinning and weaving in the ratio of the value of fixed assets used for the different processes, as far as it was possible to do so with the data available. The cost data were discussed with the representatives of the respective units and modified where found necessary. For example, we accepted the point urged by the industry that a higher proportion of administrative and selling expenses should be loaded on to categories of articles that are sold at higher prices. On the basis of the data collected by the Cost Accounts Officers, we have attempted to build up ex-factory costs of the yarn and fabrics for the industry as a whole. The methods adopted are broadly discussed in the subsequent paragraphs.

## 15.2. *Worsted yarn—Raw materials :*

15.2.1. Combing charges and wastes are the two main factors affecting raw material costs for worsteds. Two of the selected units makes their own tops from imported wool and there are also established wool combers in the country now. We have not, however, made any attempt to determine their costs of manufacturing tops from wool since tops will continue to be imported for some years more. Wool tops have accordingly been taken as the raw material for manufacturing worsted yarn.

15.2.2. The actual purchase price of tops varied to an extent for the different units as is to be expected. For illustrative costs presented in this report, we have taken the price of 64s wool top at the average figure of Rs. 6.16 per lb.

15.2.3. Despite a number of units not segregating wastes in spinning grey yarn according to the quality of tops, it has been possible to ascertain a fair average of wastes as a percentage of the output for the different qualities of tops. They are given below:—

	Up to spinning	Doubling	Winding or reeling
For tops 60s and over . . . . .	10.72%	1.5%	1%
For tops over 56s but below 60s . . . . .	9.40%	1.5%	1%
For tops below 56s . . . . .	8.71%	1.5%	1%

Out of the above, invisible wastes accounted for, on an average, 4.73 per cent, 4.48 per cent and 3.63 per cent respectively for the three categories of tops.

15.2.4. A proportion of the visible wastes (including noils) is utilised for spinning inferior grades of yarn while some units sell the entire quantity of their visible wastes. There is also divergence in the method of affording credits for wastes. Taking into account the prices obtained by those units who sell their wastes, we consider that a credit for the visible wastes at the rate of 50 per cent of the top costs on the average would be fair to the industry, and the net input of raw materials may be indicated as hereunder :—

	For single yarn lbs. per lb. of yarn	For double yarn lbs. per lb. of yarn
For tops 60s and over . . . .	1·082	1·090
For tops over 56s but below 60s .	1·074	1·082
For tops below 56s . . . .	1·067	1·074

The above net input is to be applied for all counts of worsted yarn spun as producers do not differentiate wastes countwise.

### 15.3. *Woollen and shoddy yarn—Raw materials :*

15.3.1. In the case of woollen yarn, the raw material to start with is either greasy wool or scoured wool. As the yield from greasy wool is a highly variable factor which cannot be properly averaged, we have taken scoured wool as the raw material for which reliable waste figures can be assessed. However, for such units as scour greasy wool, we have been able to determine a fair average of scouring charges at Re. 0.19 per lb. of scoured wool.

15.3.2. Similarly as the extent of foreign material in rags cannot be averaged we have taken shoddy wool as the starting point for which further wastes in processing into yarn can be assessed. However, for such units as pull rags into shoddy wool, a fair charge for rag pulling would be Re. 0.10 per lb. of shoddy wool.

15.3.3. The average wastes (including invisible wastes of 4.88 per cent) in spinning woollen yarn have been assessed at the following percentages on the output of yarn :—

- (a) for country wool blends ... .. 21.73 %
- (b) for other wool blends ... .. 17.73 %

Credit for visible waste is assessed at about 10 per cent of the cost of wool blend and the following net inputs are considered as fair for the industry :—

	lbs. per lb. of woollen yarn
(a) for country wool blends... ..	1.200
(b) for other wool blends ... ..	1.164

15.3.4. In the units producing both shoddy and woollen yarn, wastes have not been segregated according to the kind of wool. But taking into account the wastes in those units whose production consists predominantly of shoddy yarn, we consider that it would be fair to assume the waste to be about the same as for country wool blends. The net input for shoddy yarn may fairly be assessed at 1.217 lbs. per lb., there being no credit for wastes.

15.4. *Conversion charges, administrative charges, packing and selling expenses—Worsted yarn (grey).*

15.4.1. Data available were not adequate to determine in every case the costs for the different kinds and counts of yarn at each of the different process stages. In our view no reliable conversion charge for yarn can be worked out without first apportioning the total expenses at least into the following departments or functions :—

- (i) Charges from godown up to preliminary drawing,
- (ii) Roving and Spinning,
- (iii) Doubling,
- (iv) Winding into cones or cheeses,
- (v) Reeling,
- (vi) Packing,
- (vii) Administrative expenses,
- (viii) Selling expenses.

Wherever possible the above functional or process costs were ascertained from the data available. Where such data were not available, suitable amounts based on known data for the other units were apportioned without, however, altering the total of the expenses. In most cases such estimates had to be made in the case of one or other of the functions, but it is assumed that any error introduced thereby will not be material and will not affect the ultimate average cost significantly. The total expenses of the functions (i) and (iv), (v) and (vii) have been allocated to the different counts of yarn on the usual bases, namely, either at a flat rate per lb. or at a rate per lb. varying with the count. The total expenses of packing (vi) have been allocated at a flat rate per lb. after applying due weights for yarn in hanks packed in bales and yarn in cones packed in boxes. We have also segregated the costs of all special materials required for packing knitting yarn (wool) which are dealt with separately. Selling expenses (viii) have been allocated among different kinds of yarn at a flat rate per lb. after allowing for weightages in favour of knitting yarn (wool) in non-fancy packing and knitting yarn (wool) in fancy packing. Items (ii) and (iii) require special treatment.

15.4.2. As regards allocation of expenses of 'Roving and Spinning' and 'Doubling' it was found that the actual recorded production per spindle shift was sometimes higher for a higher count than for a lower

count or higher for weaving yarn than for hosiery yarn of the same count. The twists per inch given to any count of yarn varied widely as between the units and were sometimes anomalous even within a unit. For example, one unit applied 18 turns per inch for weaving yarn of 32's count while it applied 14 turns for weaving yarn of 34's count; again the same unit applied 14 turns to hosiery yarn of 32's count. The anomalous figures of production recorded per spindle shift instead of per spindle hour may to some extent be due to the fact that the third shift has less number of working hours than the other shifts. In order to circumvent this anomalous situation, we evolved, in consultation with the Textile Commissioner's organisation, a set of ratios to represent a fair relationship between the production of different kinds and counts of yarn per spindle hour by taking suitable figures for the three factors affecting production per spindle hour, namely, turns per inch, spindle speed and efficiency factor for different kinds and counts of yarn. Spinning costs have been calculated for each of the units covering its entire range of yarn actually spun first on the basis of recorded production per spindle shift and then by applying the above ratios of production. On a comparison of the results we are satisfied that taking all the units together the ratios evolved are fairly in consonance with the actual conditions obtaining in the industry as a whole. These ratios are also helpful to work out theoretically for any unit the spinning costs of a count of yarn even though the particular count may not actually have been spun by the unit. This is necessary if a fair average has to be taken for all kinds and counts of yarn. In evolving the above ratios of production, we have restricted the weaving yarn counts to the lower limit of 20's, hosiery yarn counts to the upper limit of 32's and knitting yarn counts to the upper limit of 16's. This was discussed with representatives of the industry who accepted the decision as fair. Therefore, any count of weaving yarn spun below 20's was taken to be equivalent to hosiery yarn, hosiery yarn above 32's as weaving yarn and knitting yarn above 16's as hosiery yarn. Similarly, a set of ratios has been evolved to represent a fair relationship between the production of doubled yarn per doubling spindle hour. The expenses of 'Roving and Spinning' and 'Doubling' have been allocated between different kinds and counts of yarn on the basis of the above ratios.

15.4.3. In apportioning the administrative and selling expenses (exclusive of commission to agents or dealers), we have taken note of the desire of several units to load a higher proportion of such expenses to costlier products. The following weights for apportionment among, and allocation to the different kinds of products are considered to be fair:—

(a) **Composite Units—**

(i) *Administrative expenses—*

Yarn . . . . .	0.75
Woollen fabrics . . . . .	1.00
Plain worsted & hosiery articles . . . . .	1.50
Fancy worsted . . . . .	4.50

(ii) *Selling expenses*—

Yarn (weaving or hosiery)	Nil
Knitting yarn in non-fancy packing and woollen fabrics.	1.00
Knitting yarn in fancy packing plain worsted fabrics and hosiery articles.	1.50
Fancy worsted fabrics	4.50

(b) *Spinning units*—(i) *Administrative expenses*—

Yarn (all kinds)	1.00
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(ii) *Selling expenses*—

Yarn (excluding knitting yarn)	0.50
Knitting yarn in non-fancy packing	1.00
Knitting yarn in fancy packing	1.50

The composite units either do not sell any yarn [other than knitting yarn (wool)] or sell only a small proportion of their total output. In the present sellers' market, their selling efforts are mainly directed to products other than weaving or hosiery yarn. Hence, no weightage has been given to these yarns. As the spinning units have to sell all their yarn, a part of their selling expenses must also be loaded on to weaving and hosiery yarns. For the above purposes, worsted fabrics with list prices of more than Rs. 20 per yard and knitting yarn (wool) of more than Rs. 15 per lb. have been regarded as fancy.

15.4.4. As an illustration of costs worked out on the bases mentioned above, the attached table shows the 'cost of production' excluding packing and selling expenses of weaving yarn (grey) of one selected grade, 2/40's counts in cones, spun out of 64's tops for all the units. We have excluded the costs of packing and selling from this comparative study, because in the case of those units which do not sell such yarn, these elements would have to be taken out on a notional basis. We have determined the weighted average of functional costs separately and derived therefrom the weighted average costs shown in the table below which may be taken as fair costs of production of 2/40's counts of weaving yarn in cones for the industry as a whole.

15.5. *Woollen and shoddy yarn*.—We could not ascertain any difference in conversion charges as between woollen and shoddy yarn. The only difference arises due to different prices of woollen blends and shoddy blends and the difference of net input required for a pound of yarn mentioned in paragraphs 15.3.3 and 15.3.4. In this case also as for worsted yarn a set of ratios between the production per spindle hour for different counts of yarn has been adopted. All the costed units consume almost all the yarn produced, whether woollen or shoddy. Therefore, notional amounts for packing and selling have to be added to represent the cost of sales, which we have taken at the same rates as for worsted yarn in cones. The attached table shows the costs of production excluding packing and selling expenses for woollen yarn of

TABLE

Particulars/Units	Rs./lb.									
	A	B	C	D	E	F	G	H	I	Weighted average.
I. Top—Raw materials including wastage	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71
II. Conversion Charges:										
(i) Preparatory	0.21	0.30	0.33	0.34	0.18	0.29	0.35	0.34	0.29	0.29
(ii) Spinning	1.11	1.04	1.52	0.57	1.30	1.27	0.55	1.79	0.78	1.10
(iii) Total	1.32	1.34	1.85	0.91	1.48	1.56	0.90	2.13	1.07	1.39
(iv) Add wastage in doubling @ 1.5%	0.02	0.02	0.03	0.01	0.02	0.02	0.01	0.03	0.02	0.02
(v) Doubling	0.45	0.55	0.43	0.50	0.72	0.49	0.43	0.49	0.49	0.47
(vi) Total	1.79	1.91	2.31	1.42	2.22	2.07	1.34	2.65	1.58	1.88
(vii) Add wastage in winding @ 1%	0.02	0.02	0.02	0.01	0.02	0.02	0.01	0.03	0.02	0.02
(viii) Winding	0.13	0.17	0.13	0.24	0.32	0.15	0.18	0.15	0.15	0.16
(ix) Administration	0.24	0.06	0.12	0.13	0.22	0.30	0.56	0.09	0.07	0.14
(x) Total (excluding packing & selling)	2.18	2.16	2.58	1.80	2.78	2.54	2.09	2.92	1.82	2.20
III. TOTAL COST	8.89	8.87	9.29	8.51	9.49	9.25	8.80	9.63	8.53	8.91



TABLE

Particulars/Units	A	B	C	E	H	I	Rs./lb.
I. Wool Blend Cost (including wastage)	6.09	6.09	6.09	6.09	6.09	6.09	6.09
II. Conversion Charges:							
(i) Upto Carding, Spinning and Winding	1.34	1.31	1.62	1.01	1.65	1.90	1.34
(ii) Administration	0.24	0.06	0.12	0.22	0.09	0.07	0.14
(iii) Total (excluding Packing & Selling)	1.58	1.37	1.74	1.23	1.74	1.97	1.48
III. TOTAL COST	7.67	7.46	7.83	7.32	7.83	8.06	7.57

22 skeins. For this purpose, we have taken the cost of wool blend at Rs. 5.23 per lb. and have taken the input factor at 1.164 for non-Indian wool blends which is the average for the industry *vide* paragraph 15.3.3. The table also shows the weighted average cost, which we consider to be the representative cost of production for the industry as a whole.

#### 15.6. Yarn dyeing charges :

15.6.1. Worsted yarn is generally not hank dyed except for some varieties of knitting yarn. The usual practice is either to dye the wool in the top or piece-dye the fabric. Similarly, for woollen yarn also, the practice is either to dye the wool or piece-dye the fabric. Top dyeing involves recombining and consequent wastage. The average wastage for all the units that have adopted top dyeing worked out as follows:—

Visible waste . . . . .	4.88%
Invisible waste . . . . .	4.40%
TOTAL . . . . .	9.28%

As explained in paragraph 15.2.4., we have assumed credit for visible waste at 50 per cent of the top costs. On this basis, the net input for getting a pound of dyed tops will be 1.068 lbs. Since wool dyeing does not involve a recombining, there is no further waste involved apart from that in spinning. Other costs of recombining vary with the quality of tops. But, it has not been possible to ascertain the top-wise cost of recombining. The average cost of recombining worked to about Re. 0.13 per lb. of dyed tops.

15.6.2. Other charges of top dyeing, hank dyeing and wool dyeing were on an average as follows:—

	Rs./lb. of net output
Top dyeing . . . . .	0.61
Hank dyeing . . . . .	0.44
Wool dyeing . . . . .	0.51

The cost of dyeing varies with the shade and the quality of colour, but the practice in the market appears to be not to charge different prices for different shades of either fabrics or knitting yarn (wool). Hence a differential on this account has not been worked out.

#### 15.7. Weaving—Woollen and worsted fabrics :

15.7.1. In the case of weaving we considered it essential that the total expenses should be apportioned at least among the following departments or processes, namely, (a) Warping, (b) Pirn winding, (c) Weaving, (d) Mending, (e) Scouring and Milling, (f) Finishing, (g) Packing, (h) Administration and (i) Selling. Weaving expenses were apportioned

between powerlooms and handlooms. The expenses of powerlooms were divided between worsted fabrics and woollen fabrics in the ratio of their respective loom shifts. Finally the expenses apportioned to worsted fabrics were separated between fabrics with less complicated weaves and fabrics with more complicated weaves. The weightage to be applied for apportioning (h) administrative expenses and (i) selling expenses between worsted fabrics and woollen fabrics has been discussed in paragraph 15.4.3. Based on the data of some of the units we have applied the following weights in apportioning the expenses of (e) scouring and milling (f) finishing and (g) packing departments between worsted and woollen fabrics :—

A. Scouring and milling	(i) For worsted fabrics	.	.	1.00
	(ii) For woollen fabrics	.	.	1.07
B. Finishing	(i) For worsted fabrics	.	.	1.00
	(ii) For woollen fabrics	.	.	0.61
C. Packing	(i) For worsted fabrics	.	.	2.00
	(ii) For woollen fabrics	.	.	1.00

Usually worsted fabrics require only scouring while woollen fabrics both scouring and milling—the former needing more attention in the finishing departments. While worsted fabrics are usually packed in boxes, woollen and shoddy fabrics are packed in bales. We have ascertained the unit processing costs for the departments (a), (b), (e), (f), (g), (h) and (i). They are expressed either as a rate per lb. of warp or weft yarn varying with the counts or as a flat rate per lb. of grey weight of the fabric after allowing for due weightage to the various categories of articles mentioned above. The reasons for taking one lb. of grey weight of fabrics as the unit for cost allocations of the above departments are given in paragraph 18. Mending will vary with the number of ends and picks per inch in a fabric and we consider it fair to allocate the mending expenses at a flat rate per 1,000 picks for all kinds of fabrics. Average loomspeed actually attained for woollen and shoddy weaving worked out to be very low, namely, about 33 picks per minute for powerloom and about 18 picks per minute for handloom. We have calculated the unit costs of weaving in each of these two sections at a flat rate per 1,000 picks. For weaving worsted fabrics on power looms some distinction has been made between the less and the more complicated weaves for which loomspeeds are different with consequent variation in costs. Loomspeeds have been worked back from production per loomshift and the picks per inch in the grey stage for the various kinds of worsted fabrics. Piece-rates are also an indication of the loomspeed expected to be achieved. These two factors enabled us to classify the worsted fabrics into two categories, namely, fabrics with less complicated weaves and fabrics with more complicated weaves. We have apportioned the total expenses for weaving worsted fabrics between the two categories in the ratio of their respective loomshifts and then ascertained a rate per 1,000 picks separately for them. For the purpose of arriving at a proper differential between the weaving of the two

categories of fabrics we have assumed that the average rate for less complicated weave should apply for fabrics woven on looms up to four shafts and one colour weft. The average rate for the more complicated weaves should apply to all other fabrics. In applying the above unit costs, due allowance has to be made for the shrinkage factor to arrive at the cost per yard of the finished product.

15.7.2. Hard waste collected from weaving section averaged about 2.57 per cent in the case of worsted fabrics and 5.28 per cent for woollen fabrics. On the basis of credits afforded by some of the units, we have assumed that a credit at about 10 per cent of the value of worsted yarn and about 5 per cent of the value of woollen yarn would be reasonable. The net input of yarn per lb. of grey fabric may, therefore, be taken at about 1.023 lbs. for worsted fabric and 1.050 lbs. for woollen fabrics.

15.7.3. We have already dealt with top dyeing charges and wool dyeing charges in connection with the cost of yarn. The fabrics may, however, be piece dyed. Piece dyeing charges worked out on an average to Re. 0.64 per lb. of grey weight of woollen or worsted fabric. Piece-dyed fabrics, however, do not require further scouring.

15.7.4. To compare the costs of weaving worsted fabrics in the different units it would be necessary to assume a uniform specification of some fabric. For this purpose, we have taken the following specifications of a worsted fabric and have worked out the costs as would have been incurred by the different units for its manufacture

- |   |           |                  |
|---|-----------|------------------|
| (a) Width on the loom   | . . . . . | 68.5"            |
| (b) Ends per inch (grey stage) on the loom                    | . . . . . | 60               |
| (c) Picks per inch in the grey stage                          | . . . . . | 64               |
| (d) Grey weight per yard                                      | . . . . . | 0.78 lb.         |
| (e) Weight at the weft yarn per yard                          | . . . . . | 0.39 lb.         |
| (f) Count of both warp and weft yarns                         | . . . . . | 2/40's           |
| (g) Shrinkage   | . . . . . | 6.5%             |
| (h) Quality of top  | . . . . . | 64's             |
| (i) Top dyed yarn   |           |                  |
| (j) Price of top assumed                                      | . . . . . | Rs. 6.16 per lb. |
| (k) To be woven on loom with four shafts and one colour weft. |           |                  |

The attached table shows the cost of sales per yard of a fabric conforming to the above specifications. Yarn costs have been calculated exclusive of packing and selling expenses as such expenses are not

incurred by composite units. Wastages at different stages and top dyeing charges have been assumed at the average figures discussed earlier. The table also shows the weighted average.

					Rs./Yard
Units	A	B	C	D	Weighted average
<i>Particulars—</i>					
1. <i>Cost of yarn per lb.:</i>					
(i) Tops—Raw materials.	7.18	7.18	7.18	7.18	7.18
(ii) Dyeing & Recombing including wastage.	0.89	0.89	0.89	0.89	0.89
(iii) Conversion charges of yarn.	2.18	2.16	2.58	1.80	2.20
(iv) Total cost of yarn per lb.	10.25	10.23	10.65	9.87	10.27
2. <i>Cost of yarn in fabrics including weaving wastage:</i>					
(i) Warp . . .	4.10	4.09	4.26	3.95	4.11
(ii) Weft . . .	4.10	4.09	4.26	3.95	4.11
3. Pirn winding . . .	0.14	0.14	0.10	0.19	0.12
4. Warping . . .	0.19	0.17	0.05	0.19	0.13
5. Weaving . . .	1.01	0.94	1.20	1.15	1.08
6. Mending . . .	0.16	0.16	0.35	0.16	0.23
7. Scouring & Milling . . .	0.17	0.17	0.17	0.17	0.17
8. Finishing. . .	0.41	0.42	0.74	0.32	0.48
9. Packing . . .	0.33	0.61	0.22	0.19	0.31
10. Administration . . .	0.37	0.09	0.19	0.20	0.22
11. Selling . . .	0.20	0.22	0.19	0.16	0.20
TOTAL (2 to 11)	11.18	11.10	11.73	10.63	11.16
12. Add shrinkage @ 6.5%	0.73	0.72	0.76	0.69	0.73
TOTAL	11.91	11.82	12.49	11.32	11.89

15.7.5. Similarly for woollen fabrics we have assumed the following specifications :

- (a) Width of the loom . . . . . 75"
- (b) No. of ends per inch on loom . . . . . 27
- (c) No. of picks per inch in grey stage . . . . . 32
- (d) Count of yarn, both warp and weft in skeins . . . . . 22
- (e) Weight in lbs. per grey yard . . . . . 0.80
- (f) Weight of weft yarn per grey yard . . . . . 0.43
- (g) Shrinkage as a percentage of finished yard . . . . . 3.46
- (h) Foreign wool blend—Rate per lb. . . . . Rs. 5.23
- (i) Woven on power looms
- (j) Piece dyed

The attached table shows weighed average cost of sales of a fabric conforming to the above specifications.

				Rs./Yard
Units	A	B	C	Weighted average
1. <i>Cost of yarn per lb.:</i>				
(i) Wool cost . . . . .	6.09	6.09	6.09	6.09
(ii) Conversion charges . . . . .	1.58	1.37	1.74	1.48
(iii) Total cost per lb. . . . .	7.67	7.46	7.83	7.57
2. <i>Cost of yarn in fabric:</i>				
(i) Warp yarn . . . . .	2.99	2.91	3.05	2.95
(ii) Weft yarn . . . . .	3.45	3.36	3.52	3.41
3. Pirn winding . . . . .	0.08	0.08	0.06	0.07
4. Warping . . . . .	0.09	0.08	0.02	0.07
5. Weaving . . . . .	1.07	0.81	1.67	0.92
6. Mending . . . . .	0.08	0.08	0.17	0.12
7. Scouring & Milling . . . . .	0.19	0.19	0.19	0.19
8. Piece dyeing (average excluding scouring)	0.35	0.35	0.35	0.35
9. Finishing . . . . .	0.26	0.26	0.46	0.30
10. Packing . . . . .	0.17	0.31	0.11	0.16
11. Administration . . . . .	0.26	0.06	0.13	0.15
12. Selling . . . . .	0.14	0.15	0.13	0.14
TOTAL (2 to 11) . . . . .	9.13	8.64	9.86	8.83
13. Add shrinkage . . . . .	0.32	0.30	0.34	0.31
TOTAL . . . . .	9.45	8.94	10.20	9.14

### 15.8. *Hosiery articles :*

15.8.1. Four units in the small scale sector at Ludhiana were costed, one of them being a Government Work Centre which produced only articles required for Government departments. The other three units catered for civilian requirements.

15.8.2. *Civilian hosiery articles in the small scale sector.*—It appears that by far the largest proportion of civilian hosiery articles was made out of 2/22's counts and 2/32's counts. The costs have been worked out for these counts of yarns only.

15.8.2.1. Wastage is a big item of cost in hosiery manufacture but no dependable records of the net weight of the articles were available with the costed units. A fair average of the wastages as a percentage on the net weight of the articles may be taken as follows on the basis of the costed units :

Sleeveless articles . . . . .	24%
Sleeved articles . . . . .	27%
Socks . . . . .	11%
Mufflers . . . . .	9%
Gloves . . . . .	18%

After taking credit for the wastages, a fair input of yarn may be taken for the civilian articles as follows :—

	<i>Lbs. per lb. of net output</i>
Sleeveless articles . . . . .	1·216
Sleeved articles . . . . .	1·243
Socks . . . . .	1·099
Mufflers . . . . .	1·081
Gloves . . . . .	1·162

15.8.2.2. The operations of hosiery manufacture can broadly be classified as follows :—

- (a) Yarn dyeing
- (b) Winding
- (c) Knitting
- (d) Tailoring and finishing and
- (e) Packing and forwarding.

Usually yarn is dyed by third parties at piece rates varying with the shade of dye. But since ordinarily selling prices do not vary with the shade or colour we have worked out only the average dyeing charges. Winding charges are also usually paid at piece rates, the charges varying

with the counts of yarn but not strictly in the ratio of the counts. Most of the units at Ludhiana pay knitting charges at piece rates which vary with the following factors—

- (i) kind and size-group of the articles manufactured,
- (ii) whether the articles is made on flat or round machines,
- (iii) whether the knitting is of the plain variety or with some motifs or designs in the article,
- (iv) count of yarn which usually determines the gauge of the machine on which the article is to be knitted.

It appears that the piece rates which vary with sizes have also some relation with the weights of the articles knitted except for the very small sizes. Another special feature about the marketing of hosiery goods in the small scale sector at Ludhiana is that these articles are sent by parcel post at a rate delivered free at the destination. From the data available it appears that the knitting charges for any article made on the round machines were about 70 per cent of the corresponding charges on a flat machine. On the basis of data available our Cost Accounts Officers have worked out the average costs of slipovers, pullovers, cardigans, gloves, socks and mufflers of different sizes for plain varieties only, separately for flat and round machines. The costs worked out include the average postage charges for delivery of the goods free at destination.

15.8.3. For articles required by Government departments, we have costed one small scale unit at Ludhiana and two composite units which also manufacture hosiery articles. Government purchases are usually made in accordance with the system of calling competitive tenders. When tenders are called, rigid specifications are laid down and the articles have to be manufactured in conformity with them. Any average between the costs of two large scale units in the composite sector with bulk Government orders and the costs of a unit in the small scale sector will not be a basis for a fair price for civilian consumption. We, therefore, do not propose to discuss such costs.

15.8.4. The report of the Senior Cost Accounts Officer on actual costs is being forwarded to Government as a confidential enclosure to this Report.

#### 15.9. *Future estimates:*

15.9.1. Having established the representative costs of the industry, we have estimated the probable costs for the three years 1962/63 to 1964/65. For the purpose of future estimates, we excluded the costs of raw materials which are subject to wide fluctuations and cannot be forecast with accuracy. The estimates are, therefore, restricted to conversion charges only.

15.9.2. To attempt an estimate for future, it is first necessary to estimate the variation in total production that is likely to occur for the industry as a whole. So far as the worsted section of the industry



is concerned, this to a considerable extent will depend upon the licences issued by Government for wool and wool tops. It will be seen that actual costs were worked out for either the calendar year 1960 or the year ended 31st March 1961. Therefore, by and large, the production of worsted articles during the costed period corresponded to the licences issued in October 1959 for the wool year 1959-60. The licences issued for wool and wool tops during the next year, namely 1960/61 was about 15 per cent less compared to the wool year 1959/60. The licences issued in 1961/62 for wool and wool tops were likely to be even less. However, for reasons stated in paragraph 10.3.3, we anticipate that with the progress of indigenous combing of tops and larger use of Indian wool the overall supply of wool for worsted spinning will be maintained at the level of the costed period. As stated in paragraphs 10.3.1. and 10.3.2., there is also likely to be no diminution in the overall availability of wool and shoddy material. On the whole we feel that production will remain at the same level as in the costed period and that no adjustment in the average costs is required for variations in the volume of output.

15.9.3. Usually salaries and wages increase due to regular annual increments and the dearness allowance may also increase along with the cost of living index. But this tendency of rise in the elements of salaries and wages is to an extent counteracted by retirement of old hands and entry of new hands in their place. It is possible that there would be some rise in the prices of stores, power and fuel and other elements of cost. The cost of dyes which are mostly imported may also rise. It has not been possible to estimate the likely additions in the assets in future. However, since production has been assumed to remain more or less at the same level as in the costed period, substantial additions by way of increased capacities need not be assumed. But there might be some additions by way of replacement and rehabilitation. Since depreciation calculated on diminishing balances ordinarily decreases year by year, we feel that if both the figures of depreciation and the figures of average net fixed assets of the units are taken at the same figure as in the costed period, it will fairly provide for any possible addition to fixed assets by way of replacement and rehabilitation. Moreover, such additions should be accompanied by some economy in other costs of production. We have estimated the probable increases in the elements of wages and salaries, stores, power and fuel, etc. in line with the present trends. The total estimated increase related to the total cost of production exclusive of wool and wool tops and selling expenses worked out to about 11 per cent both in the case of yarn and fabric. But there might be some unexpected variations in expenses over and above those already provided for, as for instance, payment for gratuities may suddenly increase in any one year. We have, therefore, provided a margin of another 4 per cent by way of an allowance for contingency. We have increased the conversion charges including the cost of dyes but excluding selling expenses by 15 per cent to represent a fair estimated cost of conversion of yarn and fabric for future. We have applied the same rate of increase to the conversion charges of hosiery articles also to represent a fair estimated cost of conversion of the hosiery articles in future.

16.1. In any system of price control the statutory prices should include a reasonable return for the producer so that the majority of the producers may have inducement to maintain and raise the level of output. In the case of the woollen industry there are two basic difficulties which are likely to affect its profit margin, the under-utilisation of capacity due mainly to restricted availability of raw materials and the predominance of old, if not ineffective, machinery requiring rehabilitation. Being an essentially consumer goods industry an excessive liberalisation of return cannot also be contemplated.

**16. Fair return to the industry.**

16.2. For the fixing of the margin of return, we have adopted the method of allowing a fair return on the basis of capital employed. This term denotes the value of net fixed assets used in the particular industry *plus* working capital, corresponding to net worth *plus* borrowings *less* amounts invested outside or in other activities. The F.W.M.I. while agreeing that this is the most scientific method for allowing return, has urged that in determining the element of average borrowings during a year, the correct method would be to compute it backwards from the interest paid. In its view, the rate of return should be determined after taking into account the fact that the selling season in woollen goods is limited to a period of three to four months involving maintenance of large stocks in terms of raw materials as well as finished goods. It has further urged that separate provision should be made for gratuity and an element for replacement, rehabilitation and modernisation as part of the cost and that these should not form part of return on capital employed. In this context, the Federation has suggested that a fair rate of return on employed capital should not be less than 20 per cent so that it may adequately cover bonus to employees, interest on borrowed capital, managing agency commission and taxes on net profits, and leave a balance for distribution of dividends sufficient to give a net yield of 10 per cent on shareholders' funds after deduction of taxes.

16.3. We have given due consideration to these and other relevant factors. Taking first the case of units engaged in spinning and weaving, it has been possible to assess the average net assets and the working capital employed exclusively for woollen manufactures during the costed period. The average net assets have been separately assessed for the spinning section and the weaving section. As regards working capital, the average borrowings calculated back from the actual amount of interest paid have been taken into account as desired by the industry. It worked out to about 8.5 months' cost of production in the case of composite units and about 5 months' cost of production in the case of spinning units. We have assumed that for spinning activities of the composite units, if segregated, the working capital required would be 5 months' cost of production of yarn. Since a part of yarn spun by composite units is sold outside, we have made necessary adjustments in the working capital required for the quantity of yarn not consumed and have assessed the working capital required in their case for manufacture of fabrics from wool or tops at 9 months' cost of production.

Cases may arise where it may be necessary to fix prices for units making fabrics out of purchased yarn. In such cases, we have assessed the working capital required at about 5.5 months' cost of production including the cost of yarn. Thus for future we have assessed the employed capital taking average net assets at the same figure as in the costed period and the appropriate proportion of the estimated cost of production including cost of wool, tops or yarn as the case may be.

16.4. The FWMI has asked for a return of 20 per cent on capital employed to cover gratuity, bonus, managing agency commission etc. which we consider *prima facie* excessive. We have allowed gratuity as an item of cost where it is found to involve specific commitments. Further it will be seen from paragraph 18.7 that we have recommended a certain percentage of the output of the industry to be left out of price control. This should enable the industry to make some extra earnings. In our view, therefore, a rate of return of 12 per cent on capital employed by the spinning and weaving units should be reasonable for determining fair ex-works prices of yarns and fabrics.

16.5. The return of 12 per cent on capital employed for spinning units (including the spinning sections of the composite units) worked out to 6.87 per cent of the estimated cost of production of yarn. Similarly for composite mills, the total return worked out to 11.21 per cent of the total cost of production of fabrics; and for units manufacturing fabrics from purchased yarn, it worked out to 6.61 per cent. In the scheme of prices we recommend provision is made for calculating the cost of raw materials separately. Since the industry should be remunerated for its investment on raw materials also, the return on such investment has to be calculated as above. However, in order to simplify the calculation of future prices we have rounded off the above rates of return and recommend that the return related to raw material costs should be 7 per cent, 11 per cent and 6.5 per cent respectively for yarn, fabrics manufactured by a composite unit and by a pure weaving unit. Consequently we have provided return on conversion charges at 6.53 per cent, 11.42 per cent and 6.86 per cent respectively for the types of units referred to earlier.

16.6. As regards hosiery, we have found it possible to determine the capital employed exclusively for the purpose of manufacturing hosiery goods only in the case of one unit. The capital employed in this case will not obviously be representative of the industry as a whole which predominantly lies in the decentralised sector. Further, it appears that if a 12 per cent return is applied to the capital employed in the particular unit, the return would work out to only about 3.8 per cent of the cost of production. In such circumstances, we are of opinion that it would not be appropriate to apply the capital employed formula to hosiery units in the small scale sector. We consider that for such hosiery units it would be more reasonable to remunerate them with a certain percentage of the cost of production. After examining all aspects of the case we have decided to adopt 7.5 per cent of the cost of production as a fair return to the hosiery industry.

16.7. We should like to point out in this connection that our recommendations of 12 per cent return on capital employed and 7.5 per cent on cost of production of hosiery do not mean that all the units will *ipso facto* earn them. Those units whose costs of production are below the average may earn more than 12 per cent or 7.5 per cent as the case may be and those whose costs of production are above the average may earn less. Such disparity is inevitable in any scheme of uniform prices. We are, however, satisfied that the return provided by us will be adequate for the majority of the units to meet their commitments like taxes, managing agency commission, labour bonus etc., and to enable them to declare a reasonable dividend and still have a margin for reserves. We have calculated the return on the basis of the existing level of production of the industry. Should it be possible to increase the volume of production to any extent by larger supply or better utilisation of raw materials the earnings and economy of the producers will be improved.

17.1. The representatives of the industry have urged in their written and oral evidence the problem of rehabilitation and the need for including an element on this account in the fair prices to be recommended by us. The question of rehabilitation and modernisation of the woollen industry has been examined by the Working Group set up by the National Industrial Development Corporation in January 1960, who collected the necessary statistical data about the rehabilitation needs of the spinning as well as the weaving sections of the industry (as represented by power-looms) and have indicated in their report their assessments of such needs. The question of an allowance for rehabilitation in the price was not specifically considered by the Working Group as its terms of reference did not envisage the determination of a fair price for the products of the industry. It has, however, made detailed and comprehensive estimates of the actual needs of the industry for rehabilitation and modernisation over a period of five to six years and made recommendations as to how the necessary finance could be raised. The relevant points from the recommendations of the Working Group which have since been considered by the Government of India [*vide* Resolution No. 17(16)-Tex, dated the 22nd February 1961] are briefly stated below.

17.2. The total requirements for the rehabilitation programme are of the order of Rs. 11.25 crores consisting of Rs. 10.25 crores for plant and machinery and Rs. 1 crore for land and buildings. Out of the expenditure of Rs. 10.25 crores for plant and machinery, the foreign exchange component has been assessed to be Rs. 9.25 crores for the Third Five Year Plan period. According to the Working Group, the industry which has enjoyed considerable confidence of the public and is going through one of its best periods will be able to meet the expenditure on rehabilitation programme to the extent of 75 per cent of total requirements. The balance, amounting to Rs. 2.81 crores will have to come from State lending institutions. Though the Working Group recommended that N.I.D.C. should extend its loan assistance facilities to the industry for meeting its rehabilitation needs, the Government of

India have decided that for the present N.I.D.C., with its limited resources, would not be in a position to extend its loan facilities to the woollen industry, because of the heavy demand on them from the cotton textile and jute industries for rehabilitation and modernisation.

17.3. The Working Group's estimate of Rs. 10.25 crores for plant and machinery covers both rehabilitation and modernisation. Modernisation is called for particularly for the purpose of promoting exports of Indian woollen manufactures in the face of keen competition in world markets. Since almost all replacements are, in varying degrees, improvements and modernisation, it is not possible to separate amounts involved in rehabilitation only. As regards worsted spinning, the Working Group estimated that out of 66,695 worsted spindles sought to be replaced by the industry, as many as 13,360 spindles were fairly new and that in respect of such spindles the object would be well served if suitable modifications were made in the existing plants by having auto levellers and super drafting equipment fixed in the existing machinery. For woollen spinning the Working Group considered the need for replacement to be limited on the ground that technological advancement in machinery design in the woollen spinning sector had not been as marked as in worsted spinning and in so far as important innovations could be incorporated in the existing plants with minor adjustments, no wholesale replacement of machinery was called for. As regards the weaving sector, the recommendations are that it would not be advantageous for mills having less than 50 powerlooms to replace them with automatic looms. In such cases it would be better to replace the old looms by Drop Box or any other type of powerlooms which will enable such mills to produce specialised and varied types of fabrics.

17.4. We are satisfied that the Working Group's estimate provides a fair index of the genuine rehabilitation needs of the industry. However, in the course of our inquiry we have been informed by FWMI that when the investigation was undertaken by the Working Group, it was felt that the assistance needed was only to the extent of 25 per cent but the industry now finds that owing to changed financial conditions, it requires 100 per cent assistance for the purpose. The FWMI has further stated that as the financial assistance to the extent of Rs. 2.81 crores has not been forthcoming, no progress has been made in regard to rehabilitation and modernisation of the industry.

17.5. The industry has put forward the claim on the ground that since over a long period from the First World War till the close of the Second World War, it was subject to control and thereafter for another long spell exposed to severe competition with imported goods, it has not been able to accumulate sufficient profits and build up necessary resources for the purpose of rehabilitation. In this connection, FWMI has urged that the cost of replacement of fixed assets has considerably increased since the end of the war and that the depreciation allowed on the basis of historical cost is not sufficient for the purpose of rehabilitation. The FWMI has also urged that we should determine the cost of replacement projecting the price level into the

future and that this should be done in the light of prices prevailing at present. The specific suggestion of the Federation in the matter is that the appropriate multiplier for machinery installed prior to 1939 should not be less than four to five times, that the total cost together with interest charges should be spread over a maximum period of ten years for the purpose of including an element for rehabilitation in the price of woollen yarn, fabrics and hosiery goods. The suggestion has been made on the basis that plant and machinery requiring immediate rehabilitation should be spread over a period of five years and that such plant and machinery should be obtained on deferred payment terms spread over a like period. The proposal of the Federation means that in the absence of adequate internal resources, the entire needs for rehabilitation will have to be financed by loans whether on deferred payment terms of plant manufacturers abroad or otherwise and that the rehabilitation element in the price should be quantified in a manner that would cover both interest charges and amortisation of the loans over a period of ten years.

17.6. We realise that the question of rehabilitation allowance is one to be considered on its own merits, apart from the problem of possible lengthening of the period of the rehabilitation programme, owing to current exchange and import licence problems. The claim for a separate element for rehabilitation in the price must establish itself on thoroughly justifiable grounds as it implies the shift of the entire burden to the consumer. The points urged by the Federation have been examined and we are unable to accept them fully for more than one reason. In the first place, the inadequacy of depreciation available under income-tax rules, as stressed by FWMI is not all due to higher replacement costs. The Federation has admitted in its memorandum that after the last war "as soon as machinery became available, resources of the industry in the country were better utilised in expanding the industry, rather than in rehabilitation, so that the country could achieve self-sufficiency in the manufacture of all types of yarn and cloth". Evidently, such expansion which resulted in acquisition of fresh assets should appropriately have come from fresh capital resources and if the available depreciation which is meant for replacement has been diverted for expansion purposes no fresh claim can justifiably be made on account of the non-availability of funds. Secondly, we do not consider that the claim for an element in the price for building up rehabilitation resources can be established entirely on the basis of higher replacement costs *vis-a-vis* accumulated depreciation over the life of the machinery since this does not take into account the full benefit of the depreciation that might have been reaped by the industry in the past. In our opinion, it is only after the replacement value is ascertained and due deductions are made therefrom on several counts, namely, accumulated depreciation with compound interest accruing thereon, the residual value of the discarded machines and tax concessions enjoyed, if any, on account of development rebate, etc., that the claim for any rehabilitation allowance can be properly assessed. The implications of all these points have been dealt with by us at length in paragraph 13 of our Report on the Review of Fair Prices Payable to Cement Producers. (1961).

17.7. The following observations of the Working Group in connection with its own proposals for a rehabilitation programme involving Rs. 11.25 crores are also pertinent :

“We now have to consider how far the profits will be affected on account of interest on loans to finance the Rehabilitation programme and higher depreciation allowance, etc. We feel that there should be no appreciable difficulty for the industry to meet these charges as owing to increased productivity from machines and consequent reduction in labour cost and better quality of cloth produced, the industry may with some limitation recover such increase of expenditure involved. We feel that the development rebate which allows 25 per cent of fresh investment being admitted as a revenue expenditure will also to a considerable extent offset the burden”.

17.8. We were informed by the representative of FWMI at the public inquiry that the industry could meet no more than half the estimated requirement of rehabilitation finance, although it would be mostly from borrowings, either in the form of deferred payment facilities obtainable from overseas suppliers of machinery or otherwise where immediate payment is involved. The rehabilitation needs differ from unit to unit, the composite units by and large requiring the same more urgently to balance their economy than the spinning units. While such needs are extremely limited in the case of new units, they are apt to be intensified in the case of some old ones which have dilapidated machinery.

17.9. While in ordinary circumstances we would not consider that a case exists for grant of a special element for rehabilitation, we have taken note of some special features in this case. The Report of the Working Group has highlighted the existence of a large block of over-used if not dilapidated assets whose replacement was overdue in the various production units. By and large because of shortage of imported raw material (wool) large sections of the industry are not able to work more than the average of  $1\frac{1}{2}$  shifts thus spelling out increase in overheads. Improvement in quality of the goods produced and lowering of costs are essential for building up an export potential for which the scope undeniably exists. The extent of modernisation which is inherent in any rehabilitation measure will help towards this end. While raw material shortage exists it cannot be considered that exchange difficulties will continue to be permanent. There are also trends which indicate possibility of augmenting supplies by greater shift to indigenous combing and greater mixing of Indian wools. The expansion of production in the light of growing demand cannot be held up entirely because of lack of resources for rehabilitation. There must be some method as far as this old industry is concerned of assisting the units which are anxious to do so to embark on a proper discriminating rehabilitation of outmoded machinery and augmenting production capacity.

17.10. After considering all aspects of the case we arrived at the conclusion that in the present conditions of the industry and without causing any appreciable strain to the consumer a modest addition to the ex-works price could be allowed subject, however, to the condition that this extra element after payment of tax, should be specifically earmarked for rehabilitation purposes and funded as such. We recommend, therefore, that to the fair ex-works prices inclusive of return specific extras as follows should be added as an allowance for rehabilitation in the case of spinning units and composite units only :

- |   |                                     |
|---|-------------------------------------|
| (i) Woollen or Shoddy Yarn . . . . .      | 5.5 nP. per lb. or 12 nP. per kg.   |
| (ii) Worsted Yarn . . . . .               | 11 nP. per lb. or 24 nP. per kg.    |
| (iii) Woollen or Shoddy Fabric* . . . . . | 12 nP. per yard or 13 nP. per meter |
| (iv) Worsted Fabric* . . . . .            | 24 nP. per yard or 26 nP. per meter |

\*These allowances will be given only when the fabric is manufactured by a unit from its own spun yarn.

It is realised that these extras are not correlated to actual rehabilitation needs of each unit, but in a common price schedule this is inevitable. We should like to reiterate that in the administration of the price control necessary steps should be taken to ensure that the extras specifically allowed for rehabilitation are not frittered away towards payment of dividend or bonus or otherwise and are kept earmarked and utilised for the specific purpose.

17.11. Incidentally the All India Woollen Mills Association and the Textile Manufacturers' Association, Amritsar, have stated that non-availability of necessary foreign exchange and import licence is a serious impediment to any significant progress in rehabilitation. The Shoddy Manufacturers' Association, Amritsar, has, however, stated that some of the spinners have received import licences for the import of shoddy spinning plants for their modernisation schemes. At the public inquiry it was urged by the representatives of a section of the industry that currently import licences were available only for import of machinery from countries agreeable to accept payment in rupees, but as these countries were unable to meet their specific requirements, they were handicapped in the task of rehabilitation. However, Shri R. K. Birla, leader of the delegation which recently visited some East European countries on an exploratory mission about the availability of the required machinery for rehabilitation and modernisation of the industry, stated that among the countries visited by the Mission, namely, Poland, Czechoslovakia and some East European countries (which are rupee payment countries), suitable machinery for spinning and carding was obtainable from Poland, prices being about the same as in sterling area countries. The real difficulty arises in connection with dyeing and finishing machinery which are not made in Poland. As regards worsted spinning machinery, the more modern types which eliminate intermediate processes are available only in the German Democratic Republic. We are informed that at present there are two types of spinning processes in vogue in India, one known as the Continental or the French system and the other known as the Bradford or the English



system, and that currently 95 per cent of the mills are having the British type of machinery. The evidence placed before us at the public inquiry revealed limited availability of suitable machinery from rupee payment countries. In the context of the prevailing foreign exchange difficulties, the situation appears to be one which the industry in India, working on the Bradford system, has to put up with at least for purpose of rehabilitation. In this connection, it was pointed out by the representative of the B.I.C. group of mills that the woollen industry in India did not so much need modernisation in order to meet the domestic demand but that the whole idea of modernisation was to enable it to export at competitive prices to which Government attached special importance.

18.1. In paragraph 15, we have dealt with works costs and developed the estimated costs of conversion of all kinds of yarn and fabrics and several kinds of hosiery articles. In para-

18. Basis for price fixation graph 16, we have discussed the quantum of return to be allowed and in paragraph 17, the quantum of allowance for rehabilitation. By adding the price of appropriate quantity of wool tops or yarn to the above three items, the prices of worsted yarns, fabrics and hosiery articles can be fixed. Similarly, adding the price of appropriate quantity of wool blend or shoddy wool blend, the price of woollen and shoddy yarn and fabrics can be fixed.

18.2. Though we have been required to examine and report on fair prices for all types of woollen, shoddy and worsted yarn, all types of fabrics and all types of hosiery articles, it would neither be possible nor practicable, even for a short period, to fix specific prices for the several categories and numerous varieties that are at present produced for indigenous consumption. For example, in the case of worsted yarn, it is possible to spin a particular count from different qualities of tops. For woollen and shoddy yarn, the blends of wool or shoddy wool used are so varied in their compositions that it would be literally impossible to fix prices inclusive of the price of raw materials for all possible kinds of woollen and shoddy woollen yarn. Again, no two units produce fabrics of similar specifications. In view of wide divergence in the kinds of raw materials used for yarn and in the specifications of the fabrics woven, the only practicable approach to fixation of prices would be to determine a basis on which such price fixation can be made for any desired kind or quality of yarn or fabric. The basis must provide for separate inclusion of the prices of the raw materials, which in the case of wool tops, are subject to fluctuations and can be realistically estimated only when the major portion of the licences issued for any season have been covered by firm contracts. In the case of wool and shoddy wool their prices depend not only on market trends but also on the particular blend used by a manufacturer. Similarly, in the case of hosiery articles, the price of yarn has to be fixed from time to time. This will also be the case with the producing units which have to purchase yarn for weaving.

18.3. It will be seen from paragraph 15 that conversion charges have been estimated for all kinds and counts of worsted yarn. In the case of woollen and shoddy yarn, we have been able to estimate the

conversion charges of yarns upto the lower limit of 3.5 skeins. Since our intention is to fix only the ceiling prices, a price based on conversion charges of yarn of 3.5 skeins can be taken as the ceiling price for lower counts of woollen or shoddy woollen yarn. It will be seen from paragraph 15.4.1. that in developing the cost of knitting yarn special materials required for packing were excluded and packing only in bales along with other yarn in hanks has been provided for. Such costs would correspond to prices payable for grey knitting yarn purchased in bulk to be dyed. Ordinary knitting yarn (wool) intended for ultimate retail sale in small lots needs packing which should be satisfactory and presentable and is often fancy and costly to attract the customers. Sometimes, knitting yarn is made into balls instead of hanks and further facilities are provided to attract consumers. Based on data available with some of the units, we are of the view that an *ad hoc* provision of Re. 1 per lb., in addition to the cost of packing in bales already included in the costs of conversion, should be adequate for a satisfactory non-fancy packing for knitting yarn (wool) either in hanks or in balls intended for retail sale including an element of return on the cost of packing. Fancy packing costs cannot, however, be so fixed and the consumer must have to pay extra. Thus, the prices of all kinds of yarn can be conveniently worked out from a schedule showing the estimated conversion charges of all kinds and counts of yarn including proper proportion of the return to which only the price of appropriate quantity of raw materials and the return allocable thereto have to be added.

18.4.1. As regards fabrics, it will be seen from paragraph 15 that we have developed the estimated unit costs for some of the processes related to either the grey weight of warp or weft yarn or the total grey weight of the fabric. Since the total grey weight of a fabric consists of the sum of the weights of the warp and weft yarns, the elements of process costs developed as a flat rate per pound of total grey weight, can be added to the elements of process costs of yarn of either type which have been developed as a rate per pound (varying with count) separately for warp and weft yarns. As the difference in costs between these two yarns was not significant they were combined into a single schedule on the basis of the higher figures. For the rest of the processes, namely, weaving and mending, the estimated charges have been combined and an aggregate rate per 1000 picks has been developed. The estimated rate per 1000 picks, at grey stage, (including the proper proportion of return) can again be conveniently translated as a figure per yard varying with the number of picks per inch in the grey stage. Since width of finished woollen or worsted fabrics does not vary widely, it is not necessary to make any provision for variation of this factor. Therefore, with the help of above sets of figures and taking into account the price of the requisite quantity of yarn together with an element of return thereon, the price of any kind of fabric can be calculated on the basis of its grey specifications. It would be more appropriate to base the prices on the grey specifications than on the finished specifications of a fabric. It was seen that the shrinkage factor varied considerably between one fabric and another and the

loss of weight between the grey and finished fabric depended on the extent of shearing, cropping, etc. Any kind of averaging of these factors will distort the results and it will be more realistic to base the prices on grey specifications and shrinkage factors individually assessed for each kind of fabric.

18.4.2. In the case of composite units, who weave their own yarn, the cost of yarn to be included in the fabric cost should exclude selling expenses and packing charges. But since excise duty has to be paid as soon as the yarn is taken for weaving, this element has to be taken into account. For composite units using their own yarn, we have, therefore, combined the process cost of yarn excluding packing and selling expenses but including excise duty on yarn with other conversion charges of fabrics by weight and the appropriate element of return. For units having to make purchases of yarn the set of schedules starting from purchased yarn only as developed in paragraph 18.4.1. will be useful. Thus, to meet all possible cases, we have developed two sets of schedules, one for composite units starting from wool or top, as the case may be, as raw material and the other for such units as may have to purchase weaving yarn for manufacture of fabrics. In constructing the several schedules referred to in this section due allowance has been made for wastages at different stages.

18.4.3. The specifications that should be obtained before arriving at the cost of any kind of fabric should be as follows :—

(a) quality of top or blend of wool or shoddy wool, as the case may be, and their prices. In the case of blends of wool, their prices in the scoured condition should be obtained. When greasy wool has been scoured in the factory, its cost should be determined with reference to yield, to which the element of scouring charges given in the appended schedule should be added. Similarly, if rags have been pulled in the factory into shoddy wool, the cost of shoddy wool should be calculated with reference to the yield to which the element for rag pulling charges given in the appropriate schedule should be added ;

(b) top dyed, wool dyed or piece dyed ;

(c) width on loom and ends per inch ;

(d) picks per inch in the grey stage ;

(e) count of warp and count of weft ;

(f) grey weight per yard, which in the case of each unit for which prices are fixed should not on the average exceed the theoretical weight calculated on the basis of specification above by more than 5% for worsted fabric, 4% in the case of woollen or shoddy fabrics other than rugs and 8.5% in the case of rugs ;

(g) shrinkage as a percentage of the finished length ;

(h) whether the fabric has got only one colour in weft and can be woven on powerlooms with upto 4 shafts or not; and

(i) whether the fabric is woven on handloom. In paragraph 15.7.1. we have developed weaving charges separately for fabrics with less complicated weave and for fabrics with more complicated weave. We have taken the cost of weaving for less complicated weave to correspond to fabrics with one colour in weft and which can be woven on looms with upto only 4 shafts.

18.4.4. While developing the cost of piece dyeing in paragraph 15.7.3, we observed that this included the cost of scouring associated with piece dyeing and no further scouring was required. Since in the schedules designed for fixation of fabric prices, the charges by weight already include scouring charges, we have made suitable adjustment in the estimated piece dyeing charges provided separately in the schedule.

18.5.1. In the case of hosiery articles, we have observed in paragraph 15.8.2 that the bulk of production in the small scale sector is from 2/22's and 2/32's counts of yarn. Since only a small quantity of hosiery goods is made from 2/40's counts, their prices have not been fixed. Similarly, we have not considered it necessary to fix the prices for hosiery garments manufactured from 2/10's yarn.

18.5.2. It will be seen from paragraph 15 that estimated costs had been developed for different size-groups. It was noticed that net weight of the articles manufactured within a size-group varied to an extent between different units as also in the same unit. Some provision should, therefore, be made in the price structure so that the prices may be adjusted for the variations in the net weight within a size-group. In the schedule developed, we have shown the estimated conversion charges including appropriate element of profit; provision has also to be made for variation in charges for variations in the net weight within a size-group. Adding the price of appropriate quantity of yarn, it will be possible to arrive at the price of any kind of hosiery article. In some cases, top dyed yarn is also used. In such cases, the operation of dyeing of yarn will not be necessary and we have provided for suitable adjustment to cover such cases.

18.6. In the worsted fabrics trade, it is the practice to allow about a quarter of a yard of the fabric for each defect found at the stage when the fabric is packed for despatch. This is called flag allowance. We consider that an allowance of 1.5 per cent on the price of the finished product will be adequate for plain worsted fabrics and 0.75 per cent for woollen fabrics which are generally milled.

18.7. In providing weights for selling expenses we have as stated in paragraph 15.4.3, regarded fabrics with list prices of more than Rs. 20 per yard and knitting yarn (wool) with list prices of more than Rs. 15 per lb. as fancy varieties. For units whose costs have been finally considered as representative of the industry, the proportion of

fancy worsted fabrics works out to about 28 per cent by weight, and that of fancy knitting yarn (wool) to about 20 per cent by weight. Taking all facts into consideration we are of the opinion that it will be fair if not more than 25 per cent of the production of worsted fabrics and knitting yarn (wool) for the industry as a whole be earmarked for production of fancy varieties for which prices need not be fixed in accordance with our recommendations in paragraph 19. It is for Government to decide whether the above percentage which will be outside price control should be applied uniformly to all units or whether it should be fixed for each unit separately with reference to its past pattern of production, nature of equipments installed, etc. For it is known that some of the units are not equipped for extensive top-dyeing and may not be suitable for producing fancy articles upto 25 per cent of their production. It is understood that in the realm of woollen fabrics also, some very costly rugs are made out of merino wool. The Government may decide if any proportion of woollen fabrics also should be set aside for production of such articles.

18.8. Before finalising the schedules and postulating the formulae for price fixation, the subject was also discussed on several occasions with the experts from the industry. The implications of the formulae had to be checked up by extensively working out the proposed prices for all varieties of yarn, fabrics and hosiery articles and comparing them with the costs of production for the individual units to ascertain what margin would be available to them on the proposed prices, etc., the net ex-mill prices actually charged were also compared with the proposed prices. Only after such tests we had to decide to exclude from the final calculations the data relating to one unit referred to in paragraph 15 and satisfied ourselves that the prices recommended are fair to the industry as a whole.

18.9. Unlike the cotton textile industry which when wartime controls were imposed already had in the light of experience evolved some data for price fixation, the woollen industry in India furnished us no such data on which it has regulated its voluntarily fixed prices. Prices of fabrics higher than our calculated prices were sought to be explained as due particularly to special designs or exclusive fashion types. Some high cost units claimed a large percentage of their output in this category. There was no agreed basis for determining prices according to costs of production. The small-scale sector had no system of costing. Hence the basis of costing, segregating raw material and processing costs, had to be evolved by an inductive process and the price formulae derived from observed averaged data. All this work including several fresh cost check ups done after the inquiry, has been time consuming and explains the time lag between our public inquiry in November 1961 and the date of completion of the costing work on which we based this report.

19.1. Having discussed the bases on which price schedules can be framed, we append herewith seven schedules for fixation of prices of the different kinds of yarns, fabrics and hosiery articles.

#### 19. Future prices

19.2. We recommend that the price schedules should apply as ceilings for all kinds of yarn, worsted fabrics, woollen or shoddy fabrics and hosiery articles, excluding such portion of a unit's production, which may be allowed by Government to be outside price control. These price schedules will remain effective for three years ending the wool year 1964-65 (i.e. 30th September 1965). Ex-mill prices of fabrics manufactured with purchased yarn will be higher than for identical fabrics woven by composite units with their own yarn. Allowing disparate prices for the same type of fabrics would, in our view, not be justified. In a competitive market a weaver depending on purchased yarn cannot expect a higher price for his product and must be satisfied with a lower margin of profit unless he is able to achieve other economies in production. We recommend, therefore, that where a worsted/woollen fabric is manufactured by both composite units with their own yarn and other units out of their purchased yarn the ex-mill and retail prices of such fabric should be fixed as if it had been produced by a composite unit with its own yarn.

19.3. We do not consider it feasible to lay down the specifications of fabrics, which are to be produced and sold at prices determined on the basis of the schedules recommended by us. The units should be left free to design and manufacture any kind of fabric which they think would have a ready market but at least that proportion of the output of a unit fixed by Government for production of non-fancy items should be sold at prices fixed in terms of the schedules recommended by us.

19.4. The prices recommended are only the net ex-mill prices. The spread between the net ex-mill prices and the ultimate retail prices is discussed in paragraph 21.4.

19.5. According to our terms of reference, we are to examine whether or not the present prices are high compared with the costs of production and a reasonable return on capital employed. In the following tables, we have worked out the prices of several varieties of fabrics and yarn made by different units in accordance with appropriate price schedules and compared them with the respective net selling prices. The prices worked out in these tables also illustrate how the schedules should be applied for fixing the prices of different articles.

TABLE I

Statement showing selected varieties of Grey Weaving Yarn out of 64's tops in cones, Hosiery Yarn out of 48's and 70's tops in hanks and Hank-dyed Knitting Yarn out of 56's tops in hanks

[Top Prices assumed : Rs. 6.36 for 70's : Rs. 6.16 for 64's : Rs. 5.20 for 56's : Rs. 4.43 for 48's]

		(Rs./lb.)					
Count		Weaving yarn			Hosiery yarn		
		1/20	2/32	2/40	2/48	3/11	2/32
Tops		64's	64's	64's	64's	48's	70's
		In cones	In cones	In cones	In cones	In hanks	In hanks
Particulars	Ref. to Tables in the relevant schedules	In cones	In cones	In cones	In cones	In hanks	In hanks
(i) Top Price	A	6.67	6.71	6.71	6.71	4.76	6.93
(ii) Dyeing charges	D	..	..	..	..	..	..
(iii) Return on tops	E	0.47	0.47	0.47	0.47	0.33	0.49
(iv) Charges—Hanks/Cones	G/H/J	1.87	2.66	3.28	3.79	1.30	1.86
(v) Extra packing	..	..	..	..	..	..	..
(vi) Element for rehabilitation	..	0.11	0.11	0.11	0.11	0.11	0.11
TOTAL		9.12	9.95	10.57	11.08	6.50	9.39
Prices as per Voluntary Price Control		10.19	11.00	11.50	12.50	9.98	9.11
Price as per Government Price Control						6.56	9.30
Price as per Co's (Unit B) selling price							10.72

TABLE II

*Prices of selected varieties of worsted fabrics manufactured by different units*

[Top price assumed : Rs. 6.16 per lb. for 64's]

Specifications	Ref. to Items in the relevant Schedules.			
	A	B	C	D
1. Manufactured by the units	A	B	C	D
2. Width on loom in inches	65.3	68	62.6	65.5
3. No. of ends per inch in loom	84	60	64	51
4. Count of warp yarn	2/40	2/40	2/40	2/42
5. Top quality of warp yarn	64's	64's	64's	64's
6. No. of picks per inch in grey stage	60	64	64	48
7. Count of weft yarn	2/40	2/40	1/24	2/42
8. Top quality of weft yarn	64's	64's	64's	64's
9. Weight—lbs. per grey yard	0.86	0.79	0.69	0.56
10. Shrinkage as a percentage on finished yardage	10.00	5.17	6.23	3.43
11. Weight of weft yarn per yard	$U1 = \frac{P \times S}{560 \times T(a)}$	0.39	0.30	0.27
12. Weight of warp yarn per yard	0.51	0.40	0.39	0.29
13. Top dyed or piece dyed	Top	Top	Top	Top
14. Whether woven with one colour weft and on looms with upto 4 shafts or not (assumed).	No	No	Yes	Yes



TABLE II—Contd.

Particulars	Ref. to Tables in the relevant Schedules	A	A	B	B	C	C	D	D
<i>Name of the Unit</i>									
<b>I. Warp Yarn—</b>									
(i) Top cost	B	7.34	7.34	7.34	7.34	7.34	7.34	7.34	7.34
(ii) Dyeing charges	C	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17
(iii) Return on top	E	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
(iv) Excise duty on yarn	F	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77
(v) Charges by weight	G	5.57	5.57	5.57	5.57	5.57	5.57	5.74	5.74
(vi) Total per lb.		15.66	15.66	15.66	15.66	15.66	15.66	15.83	15.83
(vii) Charges for wt. n fabric	(vi) × U <sub>2</sub>	7.99	6.11	6.26	4.54	6.11	6.73	5.07	4.59
<b>II. Weft Yarn—</b>									
(i) Top cost	B	7.34	7.34	7.34	7.34	7.29	7.29	7.34	7.34

TABLE II—Contd.

Particulars	Ref. to Tables in the relevant Schedules										
(ii) Dyeing charges	C	1-17	1-17	1-17	1-17	1-17	1-16	1-16	1-17	1-17	1-17
(iii) Return on top	E	0-81	0-81	0-81	0-81	0-81	0-80	0-80	0-81	0-81	0-81
(iv) Excise duty on yarn	F	0-77	0-77	0-77	0-77	0-77	0-77	0-77	0-77	0-77	0-77
(v) Charges by weight	G	5-57	5-57	5-57	5-57	5-57	4-34	4-02	5-74	5-74	5-74
(vi) Total per lb.		15-66	15-66	15-66	15-66	15-66	14-36	14-04	15-83	15-83	15-83
(vii) Charges for wt. in fabric	(vi) × U <sub>1</sub>	5-48	6-11	6-11	4-38	4-38	4-31	4-91	4-43	4-43	4-27
III. Charges for picks.	I/H	2-05	2-19	2-19	1-23	1-23	1-70	1-60	1-34	1-34	1-28
IV. Total [I (vii) + II (vii) + iii].		15-52	14-41	14-56	10-15	10-15	12-12	13-24	10-84	10-84	10-14
V. Price per yard. IV. × $\frac{(100+V)}{(100)} \times \frac{(101-5)}{(100)}$		17-33	15-58	15-54	10-79	10-79	13-07	14-18	11-45	11-45	10-64
VI. Element for rehabilitation		0-24	0-24	0-24	0-24	0-24	0-24	0-24	0-24	0-24	0-24
VII. Total (V + VI)		17-57	15-82	15-78	11-03	11-03	13-31	14-42	11-69	11-69	10-88
VIII. Net ex-mill prices in 1961 (1960)		19-33	18-24	18-24	11-97	11-97	14-36	16-63	14-43	14-43	15-21

TABLE III

*Price per yard of woollen fabrics (subject to excise duty on fabrics) worked from Price Schedule IV*

Specifications	Ref. to Items in the relevant Schedules		
	A	B	C
1. Manufactured by the unit . . . . .			
2. Width on loom in inches . . . . .	P	75	86
3. No. of ends per inch on loom . . . . .	Q	27	33
4. Count of warp yarn in skeins . . . . .	R(a)	22.5	15
5. Blend quality of warp yarn . . . . .	R(b)	Imported	Country
6. No. of picks per inch in grey stage . . . . .	S	32	32
7. Count of weft yarn in skeins . . . . .	T(a)	22.5	15
8. Blend quality of weft yarn . . . . .	T(b)	Imported	Country
9. Weight—lbs. per grey yard . . . . .	U	0.80	1.49
10. Shrinkage as a percentage on finished yardage . . . . .	V	3.46	14.11
11. Weight of weft yarn per yard . . . . .	$U_1 = \frac{P \times S}{256 \times T(a)}$	0.42	0.72
12. Weight of warp yarn per yard . . . . .	$U_2 = U - U_1$	0.38	0.77
13. Wool dyed or piece dyed . . . . .	W(a)	Piece	Piece
14. Woven on handloom or powerloom . . . . .	W(b)	P.loom	H.loom
15. Wool prices adopted—rate per lb. . . . .		Rs. 5.23	Rs. 3.61

TABLE III—Contd.

(Rs./Yard)

Unit	A	B	C
Particulars	Ref. to Tables in the relevant Schedule	Ref. to Tables in the relevant Schedule	Ref. to Tables in the relevant Schedule
<b>I. Warp Yarn :</b>			
(i) Wool Cost . . . . .	A	6.39	A
(ii) Dyeing charges . . . . .	B	0.57	C
(iii) Return on wool . . . . .	D	0.70	D
(iv) Excise duty on yarn . . . . .	E	0.19	E
(v) Charges by weight . . . . .	F	3.77	F
(vi) Total per lb. . . . .	(vi) × U <sub>2</sub>	11.62	(vi) × U <sub>2</sub>
(vii) Charges for weight in fabric	(vi) × U <sub>2</sub>	4.42	(vi) × U <sub>2</sub>
<b>II. Weft Yarn :</b>			
(i) Wool cost . . . . .	A	6.39	A
(ii) Dyeing charges . . . . .	B	0.57	C

(iii) Return on wool . . . . .	D	0.31	D	0.70	D	0.50
(iv) Excise duty on yarn . . . . .	E	0.19	E	0.19	E	0.19
(v) Charges by weight . . . . .	F	2.48	F	3.77	F	3.06
(vi) Total per lb. . . . .		6.68		11.62		8.87
(vii) Charges for wt. in fabric . . . . .	(vi) × U <sub>1</sub>	3.81	(vi) × U <sub>1</sub>	4.88	(vi) × U <sub>1</sub>	6.39
III. Charges for picks . . . . .	H	0.73	G	1.34	H	1.30
IV. Total [I (vii) + II (vii) + III] . . . . .		8.95		10.64		14.52
V. Price per yard . . . . .	$IV \times \frac{(100+V)}{(100)} \times \frac{(100.75)}{(100)}$	$9.30 \times \frac{(100+V)}{(100)} \times \frac{(100.75)}{(100)}$	$IV \times \frac{(100+V)}{(100)} \times \frac{(100.75)}{(100)}$	11.09	$IV \times \frac{(100+V)}{(100)} \times \frac{(100.75)}{(100)}$	$16.69 \times \frac{(100.75)}{(100)}$
V. (a) Price per piece of 2½ yards . . . . .	..	..	..	..	..	41.73
VI. Element for rehabilitation . . . . .		0.12		0.12		0.30
VII. Total . . . . .		9.42		11.21		42.03
VIII. Net Selling Prices . . . . .		10.20 (1961)		11.97		42.00

19.6. The prices worked out in accordance with the schedules for yarn are exclusive of excise duty. For fabrics they include excise duty on yarn consumed but exclude the excise duty on fabrics. These are ex-mill prices. For hosiery articles, the prices are for delivery free at destination.

19.7. For purposes of our price schedules, we have not adopted the wider definition of woollen fabrics for the Union excise duties which covers all manufactures containing 40 per cent wool. We have instead taken the definition in item 48(2) of the First Schedule to the Indian Tariff Act, 1934 under which woollen fabrics containing more than 90 per cent of wool are assessed as such. The reason for our doing so is that at present some of the mixed fabrics containing fibres like terylene, nylon, dacron, etc., which are not yet manufactured in India have not been costed by us. Admixture of such fibres whose prices may differ widely from wool prices may affect the price fixation done on the basis of wool, though the effect may not be significant for the excise levy. We have, however, considered that an admixture of up to 10 per cent of other foreign material would not affect the fixation of prices of a woollen article on the basis of our formula. Fixing the prices of articles containing more than 10 per cent of fibre other than wool could also be done under the schedules if the price of such fibre and the amount of such fibre in a blend with wool could be easily determined.

19.8. The price schedules referred to in the foregoing paragraphs have been developed on the basis of Bradford counts and Yorkshire skeins, the other measures adopted being lb. and yard. But in accordance with the present policy of Government, we have converted them in terms of metric measures and these are also appended to this report.

19.9. In the U.K. and other Western countries, when worsted yarn or woollen yarn is sold, the weight charged for is adjusted for standard moisture regain. The standard moisture regain for worsted yarn is about 18.25 per cent. In India, the traditional practice is to sell yarn at its actual weight. The cost of yarn that has been ascertained is for the actual weight at the spindle point or at the doubling spindle point. We recommend that there should be no change in the present practice and that the prices fixed for yarn should be for the actual weight of the yarn sold without any adjustment for moisture content.

19.10. In calculating the net input of tops for worsted yarn, we have taken credit for the visible waste at 50 per cent of the price of the tops. We recommend, therefore, that when such waste is subsequently used for spinning any other kind of yarn, the price of the waste so used should be taken on an average at 50 per cent of the price of the corresponding top. Subject to this, a unit may put different values on different kinds of waste.

Price Schedule I

*Schedule for calculating the Price of various kinds and counts of worsted yarns for the years 1962/63 to 1964/65*  
[Subject to excise duty]

1. To get the price per lb. of any kind and count of worsted yarn from any quality of top the price elements from appropriate tables are to be summed up in the following manner:—

	Weaving Yarns	Hosiery Yarns	Knitting Yarns in non-fancy packing
(i) Price of grey yarn or yarn from imported dyed tops:			
(a) In hanks	$A + E \div F + \text{Re. } 0.11$	$A + E + H \div \text{Re. } 0.11$	$*A + E + J + \text{Re. } 0.11$
(b) In cones or cheeses	$A + E + G + \text{Re. } 0.11$	$A + E + I + \text{Re. } 0.11$	..
(ii) Price of top dyed yarn:			
(a) In hanks (For knitting yarn—in hanks or in balls)	$B + C \div E + F + \text{Re. } 0.11$	$B + C + E \div H + \text{Re. } 0.11$	$B + C + E + J + \text{Rs. } 1.11$
(b) In cones or cheeses	$B + C + E + G + \text{Re. } 0.11$	$B + C + E + I + \text{Re. } 0.11$	..
(iii) Price for yarn-dyed yarn:			
In hanks (For knitting yarn—in hanks or in balls)	$A + D \div E + F + \text{Re. } 0.11$	$A + D + E + H + \text{Re. } 0.11$	$A + D + E + J + \text{Rs. } 1.11$

\*For grey yarn only.

For knitting yarn from imported dyed tops, add Re. 1.00.

2. Tables:

Price Schedule I (Contd.)

A. For grey yarn or yarn from imported dyed tops:				B. For top dyed (in India) yarn:			
	lbs. of tops	For tops 60's and over.	lbs. of tops	For tops over 56's but less than 60's	For tops 56's and less	For tops over 56's but less than 60's	For tops 56's and less
(i) For single yarn price of	1.082	1.074	1.067				
(ii) For double yarn price of	1.090	1.082	1.074				
C. Charges for top dyeing:				D. Charges for hank dyeing:			
				Re. 0.54 per lb.			
E. Return on tops:				7% on A or B, as the case may be			



## Price Schedule I (Concl'd.)

## Other Charges

Weaving Yarn			Hosiery Yarn			Knitting Yarn		
Counts (Bradford)	F		G		H		I	
	In Hanks Rs./lb.	In Cones Rs./lb.	Counts (Bradford)	In Hanks Rs./lb.	In Cones Rs./lb.	Counts (Bradford)	In Hanks Rs./lb.	Counts (Bradford)
1/20	1.90	1.87	3/11	1.30	1.50	3/8	1.29	3/8
1/24	2.17	2.08	2/16	1.58	1.73	4/8	1.28	4/8
1/28	2.42	2.29	2/18	1.65	1.77	3/10	1.40	3/10
1/32	2.62	2.44	2/20	1.72	1.83	4/10	1.38	4/10
1/36	2.80	2.56	2/22	1.86	1.98	3/12	1.52	3/12
1/40	3.16	2.87	2/24	1.98	2.08	4/12	1.49	4/12
1/44	3.37	3.01	2/28	2.27	2.32	3/14	1.60	3/14
1/48	3.59	3.19	2/32	2.45	2.48	4/14	1.56	4/14
2/20	1.88	1.98	..	..	..	3/16	1.72	3/16
2/24	2.10	2.20	..	..	..	4/16	1.67	4/16
2/28	2.39	2.44	..	..	..	..	..	..
2/32	2.65	2.66	..	..	..	..	..	..
2/36	2.89	2.90	..	..	..	..	..	..
2/40	3.31	3.28	..	..	..	..	..	..
2/44	3.62	3.57	..	..	..	..	..	..
2/48	3.88	3.79	..	..	..	..	..	..

NOTES.—(1) Figures in Tables C, D, F, G, H, I, and J, are inclusive of return on capital employed.

(2) For weaving counts less than 20's take the corresponding charges from Table H or Table I.

For hosiery counts above 32's take the corresponding charges from Table F or Table G.

For knitting counts above 16's take the corresponding charges from Table H.

(3) For intermediate counts interpolate in the usual way.

For extrapolation beyond 48's add Re. 0.09 per count.

## Price Schedule I-

*Schedule for calculating the price of various kinds and counts of worsted yarns for the years 1962/63 to 1964/65*  
 [Subject to excise duty]

1. To get the price per kg. of any kind and count of worsted yarn from any quality of top, the price elements from appropriate Tables are to be summed up in the following manner:—

	Weaving Yarns	Hosiery Yarns	Knitting Yarns (In Non-fancy Packing)
(i) Price of grey yarn or yarn from imported dyed tops—			
(a) In Hanks . . . . .	$A + E + F + \text{Re. } 0.24$	$A + E + H + \text{Re. } 0.24$	$*A + E + J + \text{Re. } 0.24$
(b) In Cones or Cheeses . . . . .	$A + E + G + \text{Re. } 0.24$	$A + E + I + \text{Re. } 0.24$	..
(ii) Price of Top dyed yarn—			
(a) In Hanks (For knitting yarn in hanks or in balls) . . . . .	$B + C + E + F + \text{Re. } 0.24$	$B + C + E + H + \text{Re. } 0.24$	$B + C + E + J + \text{Rs. } 2.45$
(b) In Cones or Cheeses . . . . .	$B + C + E + G + \text{Re. } 0.24$	$B + C + E + I + \text{Re. } 0.24$	..
(iii) Price for yarn dyed yarn in hanks (For knitting yarn in hanks or in balls) . . . . .	$A + D + E + F + \text{Re. } 0.24$	$A + D + E + H + \text{Re. } 0.24$	$A + D + E + J + \text{Rs. } 2.45$

\*For grey knitting yarn only.

For knitting yarn from imported dyed tops, add Rs. 2.21.

Price Schedule I-A. (Contd.)

2. Tables:

A. For grey yarn or yarn from imported dyed tops:				B. For yarn from Tops dyed in India:			
For tops over 60's and 56's over		For tops over 56's but less than 60's		For tops over 60's and 56's over		For tops over 56's but less than 60's	
Kgs. of tops	of tops	Kgs. of tops	of tops	Kgs. of tops	of tops	Kgs. of tops	of tops
(i) For single yarn price of	1.082	1.074	1.067	(i) For single yarn price of	1.156	1.148	1.140
(ii) For double yarn price of	1.090	1.082	1.074	(ii) For double yarn price of	1.165	1.156	1.148

C. Charges for top dyeing:				D. Charges for Hank Dyeing:	
For tops over 60's and 56's over		For tops over 56's but less than 60's		Rs. 1.19 per kg.	
Rs./Kg.	Kg.	Rs./Kg.	Kg.	E. Return on Tops:	
(i) For single yarn	2.38	2.36	2.34	7% on A or B as the case may be	
(ii) For double yarn	2.42	2.39	2.37		

NOTES—

(i) Figures in Tables, C, D, F, G, H, I and J are inclusive of return on capital employed.

(ii) For weaving count less than 22mm., take the corresponding charges from Table H or I. For hosiery counts above 36 mm., take the corresponding charges from Table F or G. For knitting counts above 18 mm., take corresponding charges from Table H.

(iii) For intermediate counts interpolate in the usual way. For extrapolation beyond 54 mm. add Re. 0.18 per count.

Weaving Yarn			Hosiery Yarn			Knitting Yarn		
Metric Counts	F		G	H		I	J	
	In Hanks	Rs./Kg.	In Cones	In Hanks	Rs./Kg.	In Cones	In Hanks	Rs./Kg.
1/22	4.11		4.06	2.82		3.26		2.84
1/26	4.64		4.47	3.48		3.81		2.82
1/30	5.14		4.88	3.62		3.89		3.17
1/34	5.57		5.22	3.75		4.00		3.12
1/38	5.94		5.49	3.99		4.24		3.46
1/42	6.41		5.85	4.49		4.69		3.38
1/46	7.05		6.38	5.04		5.15		3.79
1/50	7.46		6.67	5.39		5.46		3.68
1/54	7.89		7.02					
2/22	4.08		4.30					
2/26	4.51		4.73					
2/30	5.04		5.19					
2/34	5.57		5.63					
2/38	6.06		6.08					
2/42	6.65		6.66					
2/46	7.43		7.35					
2/50	8.02		7.91					
2/54	8.53		8.34					

## NOTES—

- (i) Figures in Tables, C, D, F, G, H, I and J are inclusive of return on capital employed.
- (ii) For weaving count less than 22mm., take the corresponding charges from Table H or I. For hosiery counts above 36 mm., take the corresponding charges from Table F or G. For knitting counts above 18 mm., take corresponding charges from Table H.
- (iii) For intermediate counts interpolate in the usual way. For extrapolation beyond 54 mm. add Re. 0.18 per count.

## Price Schedule II

*Schedule for calculating the price of various counts of woollen yarn and shoddy yarn for the years 1962/63 to 1964/65*  
*[Subject to excise duty]*

1. To get the price per lb. of woollen yarn of any count from scoured wool or shoddy wool, the price elements from appropriate tables are to be summed up in the following manner:—

	Undyed Yarn	Dyed Yarn
(i) Price of yarn from scoured wool in cones	$A + C + D + \text{Re. } 0.055$	$A + B + C + D + \text{Re. } 0.055$



## 2. Tables

### A. From scoured wool or shoddy wool:

For imported wool blends	For country wool blends	For shoddy wool blends
lbs. of wool	lbs. of wool	lbs. of wool

For 1 lb. of yarn price of      1.164      1.200      1.217

### B. Wool Dyeing Charges:

For imported wool blends	For country wool blends	For shoddy wool blends
Rs./lb.	Rs./lb.	Rs./lb.

For 1 lb. of yarn      0.74      0.76      0.76

Price Schedule II—(Contd.)

C. Return on wool:

7% on A

D. Other charges:

Count in skeins	In Cones Rs./lb.
3.5	1.20
5	1.24
7.5	1.38
10	1.50
12.5	1.69
15	1.88
17.5	2.06
20	2.24
22.5	2.45

- NOTES.—(1) If greasy wool is scoured in the factory, the price of scoured wool should be determined on the basis of actual yield or output of scoured wool. To the price of scoured wool thus determined, scouring charges @ Re. 0.22 per lb. of scoured wool may be added. The price of scoured wool thus ascertained may be used in Table A for wool blends other than shoddy.
- (2) Similarly, if rags are pulled in the factory to make shoddy wool, the price of shoddy wool should be determined on the basis of actual yield or output of shoddy wool. To the price of shoddy wool thus determined, rag pulling charges @ Re. 0.12 per lb. of shoddy wool may be added. The price of shoddy wool thus ascertained may be used in Table A for shoddy wool blends.
- (3) If waste from worsted section is used for making woollen yarn, the price thereof should be calculated on the average at 50% of the top prices. Any weightage to be given to the different kinds of waste, such as noils, laps, etc. may be left to the discretion of the unit.
- (4) Figures in Tables B and D are inclusive of return on capital employed.
- (5) For intermediate counts interpolate in the usual way. For extrapolation beyond 22.5 skeins add Re. 0.09 per skein.

*Schedule for calculating the price of various counts of woollen yarn and shoddy yarn for the years 1962/63 to 1964/65*  
*[Subject to excise duty]*

1. To get the price per kg. of woollen yarn of any count from scoured wool or shoddy wool, the price elements from the appropriate Tables are to be summed up in the following manner:—

Price of yarn in cones from scoured wool		Undyed yarn	Dyed yarn
		$A + C + D + \text{Re. } 0.12$	$A + B + C + D + \text{Re. } 0.12$
2. Tables:			
A. From Scoured Wool or Shoddy Wool:			
	For Imported Wool Blends,	For Country Wool Blends,	For Shoddy Wool Blends,
	Kgs. of Wool	Kgs. of Wool	Kgs. of Wool
For 1 kg. of yarn price of	1.164	1.200	1.217
C. Return on Wool:			
7% on A.			
B. Wool Dyeing Charges:			
	For Imported Wool Blends,	For Country Wool Blends,	For Shoddy Wool Blends,
	Rs./Kg.	Rs./Kg.	Rs./Kg.
For 1 kg. of yarn	1.63	1.68	1.68

Price Schedule II-A.— (contd.)

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D. Other Charges:

Metric Counts	In Cones Rs./kg.
1.5	2.65
2.5	2.72
4	3.07
5.5	3.42
7	3.90
8.5	4.38
10	4.84
11.5	5.35

NOTES.—

(i) If greasy wool is scoured in the factory, the price of scoured wool should be determined on the basis of actual yield or output of scoured wool. To the price of scoured wool thus determined, scouring charges at Re. 0.49 per kg. of scoured wool may be added. The price of scoured wool thus ascertained may be used in Table A, for wool blends other than shoddy.

(ii) Similarly, if rags are pulled in the factory to make shoddy wool, the price of shoddy wool should be determined on the basis of actual yield or output of shoddy wool. To the price of shoddy wool thus determined rag pulling charges of Re. 0.26 per kg. of shoddy wool may be added. The price of shoddy wool thus ascertained may be used in Table A for shoddy wool blends.

(iii) If waste from worsted section is used in making woollen yarn, the price thereof should be calculated on the average at 50% of the top price. Any weightage to be given to the different kinds of wastes such as noils, laps, etc., may be left to the discretion of the unit.

(iv) Figures in Tables B. and D. are inclusive of return on capital employed.

(v) For intermediate counts, the figures may be suitably interpolated. For extrapolation beyond 11.5 mm. add Re. 0.38 per count.



*Price Schedule for Non-fancy Worsted Fabrics for Composite Mills using their own yarns for the years 1962/63 to 1964/65*

[Subject to excise duty on fabrics]

1. For any fabric the price of which is to be determined, the following specifications should be obtained:—

P	=	Width on looms in inches;	Q	=	No. of ends per inch on loom;
R (a)	=	Count of warp yarn (double);	R (b)	=	Quality of tops for R (a);
S	=	No. of picks per inch in grey stage;	T (a)	=	Count of weft yarn (single or double);
T (b)	=	Quality of tops for T (a);	U	=	Weight per grey yard in lbs;
V	=	Shrinkage as percentage on finished yardage;	W	=	(a) Top dyed or piece dyed; (b) Whether woven with one colour weft and on loom with upto 4 shafts or not.
U <sub>1</sub>	=	Weight of weft yarn per yard — $P \times S$	U <sub>2</sub>	=	Weight of warp yarn per yard = $U - U_1$

$$560 \times T(a);$$

[NOTE.—(i) U should not exceed the theoretical weight per yard (calculated from the specifications) by more than 5% on the average for any manufacturing unit;

(ii) For calculating U<sub>1</sub>, T (a) should be taken at the effective count, e.g., 2/40's = 1/20's.

2. The price per yard of any worsted fabric should be obtained by applying the appropriate figures from the grey specifications and from the table below in the following formulae:—

I. For non-fancy fabrics with only one colour in the weft and which can be woven on looms with 4 shafts or less:

$$(a) \left. \begin{array}{l} \text{Price per yard of fabrics made} \\ \text{from imported dyed tops.} \end{array} \right\} = [U_1 \times (A + E + F + G) \div U_2 (A + E + F + G) + H] \times \frac{100 \div V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

$$(b) \left. \begin{array}{l} \text{Price per yard of fabrics made} \\ \text{from tops dyed in India.} \end{array} \right\} = [U_1 \times (B \div C + E + F + G) + U (B + C + E + F + G) \div H] \times \frac{100 \times V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

$$(c) \left. \begin{array}{l} \text{Price per yard of fabrics piece} \\ \text{dyed} \end{array} \right\} = [U_1 \times (A + D + E + F + G) + U_2 (A + D + E + F + G) \div H] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

II. For non-fancy fabrics with more than one colour in the weft or which requires a loom with more than four shafts:

$$(a) \left. \begin{array}{l} \text{Price per yard of fabrics made} \\ \text{from imported dyed tops.} \end{array} \right\} = [U_1 \times (A \div E + F + G) + U_2 (A \div E + F + G) \div V] \times \frac{100 \div V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

$$(b) \left. \begin{array}{l} \text{Price per yard of fabrics made} \\ \text{from tops dyed in India.} \end{array} \right\} = [U_1 \times (B \div C + E + F + G) \div U_2 (B \div C + E + F + G) \div V] \times \frac{100 \times V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

$$(c) \left. \begin{array}{l} \text{Price per yard of fabrics piece} \\ \text{dyed.} \end{array} \right\} = [U_1 \times (A + D + E + F + G) + U_2 (A + D + E + F + G) \div V] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.24}$$

3. Tables:

A. For white (grey) or imported dyed tops:				B. For tops dyed in India:			
	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less	For tops 60's and above
	lbs. of tops	lbs. of tops	lbs. of tops		lbs. of tops	lbs. of tops	
(i) For single yarn price of	1.107	1.099	1.091	(i) For single yarn price of	1.183	1.174	1.166
(ii) For double yarn price of	1.115	1.107	1.099	(ii) For double yarn price of	1.192	1.183	1.174
C. Top dyeing charges:				D. Piece dyeing charges:— Re. 0.57 per lb.			
	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less	For tops 60's and above
	Rs./lb.	Rs./lb.	Rs./lb.		Rs./lb.	Rs./lb.	
(i) For single yarn	1.16	1.14	1.14	(i) For single yarn	1.16	1.14	1.14
(ii) For double yarn	1.17	1.16	1.15	(ii) For double yarn	1.17	1.16	1.15
E. Return on tops:				F. (a) For excise duty on yarn upto 53.2's count — Re. 0.77 per lb.			
11% on A or B as the case may be.				(b) For excise duty on yarn above 53.2's count — Re. 1.09 per lb.			
NOTE.— If excise duty on yarn of 53.2's count is changed from the present level of Rs. 1.60 per kg. to say Rs. Y per kg. then the figure above should be changed to Rs. $\frac{1.60}{0.77 \times Y}$ and similar adjustment should be made for yarn above 53.2's count if the excise duty is changed from Rs. 2.10 per kg.							

Price Schedule III—(concl'd.)

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G. Charges based on weight :	Charges based on picks:				
	H		I		
	Count (Bradford)	Rs./lb.	For weaving with single colour weft and on loom with 4 shafts or less.	For weaving with more than one colour weft or on loom with more than 4 shafts	
	1/20	4.02	Picks per inch	Picks per inch	Rs./yd.
	1/24	4.34	32	32	1.09
	1/28	4.63	36	36	1.23
	1/32	4.87	40	40	1.37
	1/36	5.07	44	44	1.50
	1/40	5.48	48	48	1.64
	1/44	5.72	52	52	1.78
	1/48	6.00	56	56	1.92
	2/20	3.96	60	60	2.05
	2/24	4.23	64	64	2.19
	2/28	4.54	68	68	2.33
	2/32	4.80	72	72	2.46
	2/36	5.12			
	2/40	5.57			
	2/44	5.91			
	2/48	6.21			

NOTE.—(a) Figures in Tables C, D, F, G, H and I are inclusive of return on capital employed.

(b) For intermediate counts, the figures in Table G should be interpolated in the usual way. If extrapolation is necessary for counts beyond 48's, Re. 0.10 per count may be added.

(c) For charges based on picks (Tables H and I) interpolation or extrapolation may be made in the usual way wherever necessary.

*Schedule for calculating the price of Non-fancy worsted fabrics for Composite Mills using their own yarn for the years 1962/63 to 1964/65*

[Subject to excise duty on fabrics]

1. For any fabric the price of which is to be determined, the following specifications should be obtained:—

P	=	Width on looms in centimetre	U	=	Weight per grey metre in Kgs.
Q	=	No. of ends per centimetre on loom	U <sub>1</sub>	=	Weight of weft yarn per metre = $\frac{P \times S}{1000 \times T}$ (a)
R (a)	=	Metric count of warp yarn (double)	U <sub>2</sub>	=	Weight of warp yarn per metre = $U - U_1$
R (b)	=	Quality of tops for R (a)	V	=	Shrinkage as a percentage per finished metre
S	=	No. of picks per centimetre in grey stage	W	=	(a) Top dyed or piece dyed,
T (a)	=	Metric count of weft yarn (single or double)		=	(b) Whether woven with one colour weft and on loom with upto 4 shafts or otherwise.
T (b)	=	Quality of tops for T (a)			

[NOTE.— (i) U should not exceed the theoretical weight per metre (calculated from the specifications) by more than 5%, on the average for any manufacturing unit;

(ii) For calculating U<sub>1</sub>, T (a) should be taken at the effective count, e.g., 2/40 mm. = 1/20mm.]

2. The price per metre of any worsted fabric should be obtained by applying the appropriate figures from the grey specifications and from the tables below in the following formulae:—

I. For non-fancy fabrics with only one colour in the weft and which can be woven on looms with 4 shafts or less:—

$$\left. \begin{array}{l} \text{(a) Price per metre of fabrics made} \\ \text{from imported dyed tops} \end{array} \right\} = [U_1 \times (A \div E - F + G) + U_2 (A + E + F + G) + H] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.26}$$

$$\left. \begin{array}{l} \text{(b) Price per metre of fabrics made} \\ \text{from tops dyed in India} \end{array} \right\} = [U_1 \times (B \div C - E + F + G) + U_2 (B + C + E + F + G) + H] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.26}$$

$$\left. \begin{array}{l} \text{(c) Price per metre of fabrics piece} \\ \text{dyed.} \end{array} \right\} = [U_1 \times (A + D - E + F + G) + U_2 (A + D + E + F + G) + H] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.26}$$

II. For non-fancy fabrics with more than one colour in the weft or which requires a loom with more than four shafts:—

$$\left. \begin{array}{l} \text{(a) Price per metre of fabrics made} \\ \text{from imported dyed tops.} \end{array} \right\} = [U_1 \times (A + E + F + G) + U_2 (A + E + F + G) \div I] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.26}$$

$$\left. \begin{array}{l} \text{(b) Price per metre of fabrics made} \\ \text{from tops dyed in India} \end{array} \right\} = [U_1 \times (B + C + E + F + G) + U_2 (B + C + E + F + G) \div I] \times \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. 0.26}$$

Price Schedule III-A—(contd.)

$$(c) \text{ Price per metre of fabrics piece } \left. \vphantom{\begin{matrix} \\ \\ \end{matrix}} \right\} = [U_1 \times (A + D + E + F + G) + U_2 (A + D + E + F + G) + II] \frac{100 + V}{100} \times \frac{101.5}{100} + \text{Re. } 0.26 \text{ dyed.}$$

3. Tables:

A. For white (grey) or imported dyed tops:

	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less
	kgs. of tops	kgs. of tops	kgs. of tops
(i) For single yarn price of	1.107	1.099	1.091
(ii) For double yarn price of	1.115	1.107	1.099

C. Top dyeing charges:

	For tops 60's and over	For tops over 56's but less than 60's	For tops 56's and less
	Rs./kg.	Rs./kg.	Rs./kg.
(i) For single yarn	2.56	2.51	2.51
(ii) For double yarn	2.58	2.56	2.54

B. For tops dyed in India:

	For tops 60's and above	For tops over 56's but less than 60's	For tops 56's and less
	kgs. of tops	kgs. of tops	kgs. of tops
(i) For single yarn price of	1.183	1.174	1.166
(ii) For double yarn price of	1.192	1.183	1.174

D. Piece dyeing charges:

Rs. 1.26 per kg.

E. Return on Tops: 11% on A or B as the case may be.

F. (a) For excise duty on yarn upto 60 mm. count: Rs. 1.69 per kg.

(b) For excise duty on yarn above 60 mm. count: Rs. 2.22 per kg.

NOTE.—If excise duty on yarn upto 60 mm. is changed from the present level of Rs. 1.60 per kg. to say, Y per kg., then the figure above should be changed into Rs.  $\frac{1.69 \times Y}{1.60}$  and similar adjustment should be made for yarn above 60 mm. if the excise duty is changed from Rs. 2.10 per kg.

Price Schedule III-A—(concl'd.)

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G. Charges based on weight:

Metric Count	Rs./Kg.
1/22	8.77
1/26	9.40
1/30	9.98
1/34	10.49
1/38	10.92
1/42	11.45
1/46	12.18
1/50	12.66
1/54	13.20
2/22	8.65
2/26	9.18
2/30	9.77
2/34	10.31
2/38	10.88
2/42	11.59
2/46	12.42
2/50	13.08
2/54	13.66

Charges based on Picks:

Picks per Centimetre	H For weaving with single colour weft and on loom with 4 shafts or less	I For weaving with more than one colour weft or on loom with more than 4 shafts
	Rs./metre	Rs./metre
10	0.74	0.95
12	0.89	1.14
14	1.04	1.33
16	1.18	1.52
18	1.33	1.71
20	1.48	1.90
22	1.63	2.09
24	1.78	2.28
26	1.92	2.47
28	2.07	2.66
30	2.22	2.85

NOTE.— (i) Figures in Tables C, D, F, G, H and I are inclusive of return on capital employed.

(ii) For intermediate counts the figures in Table G should be interpolated in the usual way. For extrapolation, if necessary, for counts beyond 54 mm. Rc. 0.20 per counts may be added.

(iii) For charges based on picks, Tables H and I, interpolation or extrapolation may be made in the usual way wherever necessary.

*Price Schedule for Woollen and Shoddy Fabrics for Composite Mills using 100% 100% 100%*

The price of which is to be determined, the following specifications should be obtained:—

P = Width on loom in inches	Q = No. of ends per inch on loom	R(a) = Count of warp yarn
S = No. of picks per inch in the grey stage	T(a) = Count of weft yarn	R(b) = Blend of wool or shoddy for R(a)
V = Shrinkage as a percentage on finished yardage	T(b) = Blend of wool or shoddy for T(a)	U = Weight per grey yard in lbs.
W = (a) Wool dyed or piece dyed (b) To be woven in powerloom or handloom	U <sub>1</sub> = Weight of weft yarn per yard $\frac{P \times S}{256 \times T(a)}$	U <sub>2</sub> = Weight of warp yarn per yard = $\frac{U - U_1}{U - U_1}$

NOTE— U should not exceed theoretical weight per yard (calculated from specifications) by more than 4% in the case of fabrics and 8.5% in the case of rugs on the average for any manufacturing unit.

2. The price per yard of any woollen fabric should be obtained by applying the appropriate figures from the specifications and the tables below adopting the following formulae:—

(a) *For woollen fabrics woven on powerloom:*

(i) From wool dyed blend	$[U_1 \times (A + B + D + E + F) + U_2 \times (A + B + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$
(ii) For piece dyed fabrics	$[U_1 \times (A + C + D + E + F) + U_2 \times (A + C + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$
iii) For undyed fabrics	$[U_1 \times (A + D + E + F) + U_2 \times (A + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$

(b) *For shoddy fabric on powerloom*:—Use the same formulae as in (a) but exclude all reference to Table E wherever it occurs.

(c) *For woollen fabrics woven on handlooms*:

(i) From wool dyed blend  $[U_1 \times (A + B + D + E + F) + U_2 \times (A + B + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$

(ii) For piece dyed fabrics  $[U_1 \times (A + C + D + E + F) + U_2 \times (A + C + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$

(iii) For undyed fabrics  $[U_1 \times (A + D + E + F) + U_2 \times (A + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. } 0.12$

(d) *For shoddy fabrics on handlooms*:— Use the same formulae as in (c) but exclude all reference to Table E wherever it occurs.

NOTES.—(1) If greasy wool is scoured in the factory the price of scoured wool should be determined on the basis of actual yield or output of scoured wool. To the price of scoured wool thus determined, scouring charges @ Re. 0.22 per lb. of scoured wool may be added. The price of scoured wool thus ascertained may be used in Table A for wool blends other than shoddy.

(2) Similarly, if rags are pulled in the factory to make shoddy wool, the price of shoddy wool should be determined on the basis of actual yield or output of shoddy wool. To the price of shoddy wool thus determined, rag pulling charges @ Re. 0.12 per lb. of shoddy wool may be added. The price of shoddy wool thus ascertained may be used in Table A for shoddy wool blends.

(3) If waste from worsted section is used for making woollen yarn, the price thereof should be calculated on the average at 50% of the top prices. Any weightage to be given to the different kinds of waste such as noils, laps, etc. may be left to the discretion of the unit.

(4) Figures in Tables, B, C, E, F, G and H are inclusive of return on capital employed.

(5) For intermediate counts interpolate in Table F in the usual way. For extrapolation beyond 22.5 skeins add Re. 0.10 per skein.

(6) Interpolation or extrapolation for picks may be made in the usual way in the Tables G and H.



3. Tables

A. From scoured wool or shoddy wool :

	For imported wool blends		For country wool blends		For shoddy wool blends	
	lbs. of wool	lbs. of wool	lbs. of wool	lbs. of wool	Rs./lb.	Rs./lb.
For 1 lb. of fabric price of .	1.222	1.260	1.278		0.84	0.84

B. Wool dyeing charges :

	For imported wool blends	For country wool blends	For shoddy wool blends
Rs./lb.	0.81	0.84	0.84
For 1 lb. of fabric .			

C. Piece dyeing charges :

Re. 0.57 per lb.

D. Return on wool @ 11% on A.

E. Excise duty on woollen yarn other than shoddy :

Re. 0.19 per lb.

NOTE.—If excise duty on yarn is changed from the present level of Re. 0.40 per kg. to say, Rs. Y per kg., then the charges per lb. should be changed to Rs.  $\frac{0.19 \times Y}{0.40}$

F. Charges based on weight :

Count in skeins	Rs./lb.
3.5	2.20
5	2.26
7.5	2.45
10	2.59
12.5	2.82
15	3.06
17.5	3.28
20	3.52
22.5	3.77

G. Charges based on picks :

Picks per inch	Woven on power-looms
10	Rs./yd. 0.42
14	0.58
18	0.75
22	0.92
26	1.09
30	1.25
34	1.42
38	1.59

H. Charges based on picks :

Picks per inch	Woven on handlooms
10	Rs./yd. 0.41
14	0.57
18	0.73
22	0.89
26	1.06
30	1.22
34	1.38
38	1.55

*Schedule for calculating the price of woollen and shoddy fabrics for composite mills using their own yarn for the years 1962/63 to 1964/65*

(Subject to excise duty on fabrics)

1. For any fabric the price of which is to be determined the following specifications should be obtained:—

P = Width on loom in centimetre.	Q = No. of ends per centimetre on loom	R(a) = Metric Count of warp yarn
S = No. of picks per centimetre in the grey stage.	T(a) = Metric count of weft yarn.	R(b) = Blend of wool or shoddy for R (a)
V = Shrinkage as a percentage per finished metre.	T(b) = Blend of wool or shoddy for T (a)	U = Weight per grey metre in Kilo-grammes
W = (a) Wool Dyed or Piece Dyed. (b) To be woven on powerloom or handloom.	U <sub>1</sub> = Weight of weft yarn per metre	U <sub>2</sub> = Weight of warp yarn per Metre = $U - U_1$
	$\frac{P \times S}{1000 \times T(a)}$	

NOTE.— U should not exceed theoretical weight per metre (calculated from specifications) by more than 4% in the case of fabrics other than rugs and 8.5% in the case of rugs on the average for any manufacturing unit.

2. The price per metre of any woollen fabric should be obtained by applying the appropriate figures from the specifications and the tables below adopting the following formulae:—

(a) For woollen fabrics woven on powerloom :

- (i) From wool dyed blend 
$$[U_1 \times (A + B + D + E + F) + U_2 \times (A + B + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$
- (ii) For piece dyed fabrics 
$$[U_1 \times (A + C + D + E + F) + U_2 \times (A + C + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$

$$(iii) \text{ for undyed fabrics} \quad [U_1 \times (A + D + E + F) + U_2 \times (A + D + E + F) + G] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$

(b) *For shoddy fabrics on powerloom* :— Use the same formulae as in (a) but exclude all reference to table E wherever it occurs.

(c) *For woollen fabrics woven on handloom.*

$$(i) \text{ From wool dyed blend} \quad [U_1 \times (A + B + D + E + F) + U_2 \times (A + B + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$

$$(ii) \text{ For piece dyed fabrics} \quad [U_1 \times (A + C + D + E + F) + U_2 \times (A + C + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$

$$(iii) \text{ For undyed fabrics} \quad [U_1 \times (A + D + E + F) + U_2 \times (A + D + E + F) + H] \times \frac{100 + V}{100} \times \frac{100.75}{100} + \text{Re. 0.13}$$

(d) *For shoddy fabrics woven on handloom* :— Use the same formulae as in (c) but exclude all reference to Table E wherever it occurs.

### 3. Tables

A. *From scoured wool or shoddy wool* :

	For imported wool blends	For country wool blends	For shoddy wool blends
	Kgs. of wool	Kgs. of wool	Kgs. of wool
For 1 Kg. of fabric, price of . . .	1.222	1.260	1.278

B. *Wool dyeing charges* :

For 1 Kg. of fabric	For imported wool blends	For country wool blends	For shoddy wool blends
	Rs./Kg.	Rs./Kg.	Rs./Kg.
	1.79	1.85	1.85

C. *Piece dyeing charges* : Rs. 1.26 per Kg.

D. *Return on wool* : 11% on A.

## Price Schedule IV-A—(contd.)

E. Excise duty on yarn other than shoddy = Re. 0.42 per Kg.

(NOTE.—If excise duty is changed from the present level of Re. 0.40 per Kg., to say, Y per Kg., then the charges per Kg. should be changed to Rs.  $\frac{0.42 \times Y}{0.40}$ .)

F. Charge based on weight :		Charges based on Picks :		
Metric count	Rs./Kg.	Picks per Centimetre	Woven on power looms	Woven on handlooms
1.5	4.83	4	Rs./metre 0.46	Rs./metre 0.45
2.5	4.97	6	0.70	0.68
4	5.43	8	0.93	0.90
5.5	5.84	10	1.16	1.13
7	6.44	12	1.39	1.36
8.5	7.03	14	1.62	1.58
10	7.63	16	1.86	1.81
11.5	8.26			

NOTES.— (i) If greasy wool is scoured in the factory, the price of scoured wool should be determined on the basis of actual yield or output of scoured wool. To the price of scoured wool thus determined scouring charges at Re. 0.49 per Kg. of scoured wool may be added. The price of scoured wool thus ascertained may be used in Table A for wool blends other than shoddy.

(ii) Similarly, if rags are pulled in the factory to make shoddy wool, the price of shoddy wool should be determined on the basis of actual yield or output of shoddy wool. To the price of shoddy wool thus determined rag pulling charges of Re. 0.26 per Kg. of shoddy wool may be added. The price of shoddy wool thus ascertained may be used in Table A for shoddy wool blends.

(iii) If waste from worsted section is used in making woollen yarn the price thereof should be calculated on the average at 50 % of the top price. Any weightage to be given to the different kinds of waste, such as noils, laps etc., may be left to the discretion of the unit.

(iv) Figures in Tables B, C, E, F, G and H are inclusive of return on capital employed.

(v) For intermediate counts figures in Table F may be suitably interpolated. For extrapolation for counts beyond 11.5 mm. the charges in Table F may be increased by Re. 0.43 per count.

(vi) Interpolation or extrapolation for picks may be made in the usual way in the Tables G and H.

*Price schedule for Non-Fancy Worsted Fabrics for Mills using bought yarn for the years 1962/63 to 1964/65*  
(Subject to excise duty on fabrics)

1. For any fabric the price of which is to be determined the following specifications should be obtained :

P = Width on loom in inches;

Q = No. of ends per inch on loom;

R(a) = Count of warp yarn (double);

R(b) = Quality of Tops for R(a);

S = No. of picks per inch in grey stage;

U = Weight per grey yard in lbs.

T(a) = Count of weft yarn (Single or double);

T(b) = Quality of Tops for T(a);

V = Shrinkage as a percentage of finished yardage;

W(a) = Top dyed or piece dyed;

W(b) = Whether woven with one colour weft and on looms with upto 4 shafts or not;

U<sub>2</sub> = Weight of warp yarn per yard =  $U - U_1$ ;

yarn per yard =

$$\frac{P \times S}{560 \times T(a)}$$

[ (i) U should not exceed the theoretical weight per yard (calculated from the specifications) by more than 5% on the average for any manufacturing unit.

(ii) For calculating U<sub>1</sub>, T(a) should be taken at the effective count, e.g. 2/40's = 1/20's]

2. The price per yard of any worsted fabric should be obtained by applying the appropriate figures from the grey specifications and from the tables below using the following formulae:—

I. For Non-Fancy fabrics with only one colour in the weft and which can be woven on looms with 4 shafts or less:—

$$(a) \text{ Price per yard of Fabrics from top dyed yarn} = [U_1 \times (A + B + D) + U_2 \times (A + B + D) + E] \times \frac{100 + V}{100} \times \frac{101.5}{100}$$

$$(b) \text{ Price per yard of piece dyed fabrics} = [U_1 \times (A + B + C + D) + U_2 \times (A + B + C + D) + E] \times \frac{100 + V}{100} \times \frac{101.5}{100}$$

II. For Non-Fancy fabrics with more than one colour in the weft or woven on looms with more than 4 shafts:—

$$(a) \text{ Price per yard of fabrics from top dyed yarn} = [U_1 \times (A + B + D) + U_2 \times (A + B + D) + F] \times \frac{100 + V}{100} \times \frac{101.5}{100}$$

$$(b) \text{ Price per yard of piece dyed fabrics} = [U_1 \times (A + B + C + D) + U_2 \times (A + B + C + D) + F] \times \frac{100 + V}{100} \times \frac{101.5}{100}$$

**Price Schedule V—(contd.)**

**3. Tables**

A. For 1 lb. of grey, abric, take the price of 1.023 lbs. of yarn.		B. Return on yarn at 6.5% on A.	
C. Piece dyeing charges @ Re. 0.55 per lb.		Charges based on Picks	
D. Charges based on weight:		E	
Bradford Count	Rs./lb.	Picks per inch	F
			For weaving with single colour weft and on loom with 4 shafts or less
			For weaving with more than one colour weft or on loom with more than 4 shafts
1/20	2.54	32	Rs./yd. 1.05
1/24	2.63	36	1.18
1/28	2.69	40	1.31
1/32	2.77	44	1.44
1/36	2.84	48	1.57
1/40	2.92	52	1.70
1/44	3.00	56	1.83
1/48	3.08	60	1.97
2/20	2.36	64	2.10
2/24	2.40	68	2.23
2/28	2.45	72	2.36
2/32	2.49		
2/36	2.53		
2/40	2.57		
2/44	2.61		
2/48	2.66		

NOTE—

- Figures in tables C, D, E and F are inclusive of return on capital employed.
- For intermediate counts, the figures in table D should be interpolated in the usual way.
- For extrapolation if necessary for counts beyond 48's Re. 0.02 per count may be added.
- For charges based on picks Tables E and F, interpolation or extrapolation may be made in the usual way wherever necessary.

*Schedule for calculating the price of Non-fancy Worsted Fabrics for Mills using bought yarn for the years 1962/63 to 1964/65*

*(Subject to excise duty on fabrics) ..*

1. For any fabric the price of which is to be determined the following specifications should be obtained :—

P = Width on loom in centimetres;

R(a) = Metric count of warp yarn (double);

S = No. of picks per centimetre in grey stage;

T(b) = Quality of tops for T(a);

V = Shrinkage as a percentage per finished metre;

$U_1 = \text{Weight of weft yarn per metre} = \frac{1000 \times T(a)}{P \times S}$

Q = No. of ends per centimetre on loom;

R(b) = Quality of tops for R(a);

T(a) = Metric count of weft yarn (Single or Double);

U = Weight per grey metre in Kgs.;

W = (a) Top dyed or piece dyed, (b) Whether woven with one colour weft and on looms with upto 4 shafts or not;

$U_2 = \text{Weight of warp yarn per metre} = U - U_1$ .

[NOTE.— (i) U should not exceed the theoretical weight per metre (calculated from the specifications) by more than 5% on the average for any manufacturing unit;

(ii) For calculating  $U_1$ , T(a) should be taken at the effective count, (e. g.)  $2/40\text{mm.} = 1/20\text{ mm.}$ ]

2. The price per metre of any worsted fabric should be obtained by applying the appropriate figures from the grey specifications and from the tables below, using the following formulae :—

I. for non-fancy fabrics with only one colour in the weft and which can be woven on looms with 4 shafts or less :—

$$\begin{aligned} \text{(a) Price per metre of fabrics from top dyed yarn} & [U \times (A+B+D) + U_2 \times (A+B+D) + E] \times \frac{100+V}{100} \times \frac{101.5}{100} \\ \text{(b) Price per metre of piece dyed fabrics} & [U_1 \times (A+B+C+D) + U_2 \times (A+B+C+D) + E] \times \frac{100+V}{100} \times \frac{101.5}{100} \end{aligned}$$

II. For non-fancy fabrics with more than one colour in the weft or woven on looms with more than 4 shafts :—

$$\begin{aligned} \text{(a) Price per metre of fabrics from top dyed yarn} & [U_1 \times (A+B+D) + U_2 \times (A+B+D) + F] \times \frac{100+V}{100} \times \frac{101.5}{100} \\ \text{(b) Price per metre of piece dyed fabrics} & [U_1 \times (A+B+C+D) + U_2 \times (A+B+C+D) + F] \times \frac{100+V}{100} \times \frac{101.5}{100} \end{aligned}$$

3. Tables:

A. For 1 Kg. of grey fabric, take the price of 1.023 kgs. of yarn.		B. Return on yarn at 6.5% of A.		
C. Piece dyeing charges at Rs. 1.21 per kg.				
D. Charges based on weight:				
Metric Count	Rs./Kg.	Picks per Centimetre	Charges based on Picks	
			E. For weaving with single colour weft and on loom with 4 shafts or less. Rs./Metre	
			F. For weaving with more than one colour weft or on loom with more than 4 shafts Rs./Metre	
1/22	5.57	10	0.71	0.91
1/26	5.75	12	0.85	1.09
1/30	5.88	14	0.99	1.27
1/34	6.02	16	1.14	1.46
1/38	6.17	18	1.28	1.64
1/42	6.31	20	1.42	1.82
1/46	6.47	22	1.56	2.00
1/50	6.63	24	1.70	2.18
1/54	6.78	26	1.85	2.37
2/22	5.19	28	1.99	2.55
2/26	5.27	30	2.13	2.73
2/30	5.36	..	..	..
2/34	5.45	..	..	..
2/38	5.53	..	..	..
2/42	5.60	..	..	..
2/46	5.68	..	..	..
2/50	5.76	..	..	..
2/54	5.82	..	..	..

NOTES.—(i) Figures in Tables C, D, E & F are inclusive of return on capital employed.

(ii) For intermediate counts the figures in Table D should be interpolated in the usual way, for extrapolation if necessary for counts beyond 54 mm.; Re. 0.04 per count may be added.

(iii) For charges based on picks tables E & F, interpolation or extrapolation may be made in the usual way wherever necessary.



*Price schedule for woollen and shoddy Fabrics for Mills using bought yarn for the years 1962/63 to 1964/65*  
*(Subject to excise duty on fabrics)*

1. For any fabric the price of which is to be determined, the following specifications should be obtained :—

P = Width on loom in inches;

R(b) = Blend of wool for R(a)

T(b) = Blend of wool for T(a),

Q = No. of ends per inch on loom;

S = No. of Picks per inch in grey stage;

U = Weight per grey yard in lbs;

R(a) = Count of warp yarn;

T(a) = Count of weft yarn;

V = Shrinkage as a percentage on finished yardage;

$$U_1 = \text{Weight of weft yarn per yard} = \frac{P \times S}{256 \times T(a)}$$

$$U = \text{Weight of warp yarn per yard} = U - U_1;$$

W = (a) Wool dyed or Piece dyed, (b) Woven on power loom or hand loom.

[NOTE.—U should not exceed the theoretical weight per yard (calculated from specifications) by more than 4% in the case of fabrics and 8.5% in the case of rugs on the average for any manufacturing unit.]

2. The price per yard of any woollen fabric should be obtained by applying the appropriate figures from the specifications and the tables below adopting the following formulae :—

I. For fabrics woven on power loom —

(a) Price per yard of Piece dyed fabrics

$$= [U_1 \times (A + B + C + D) + U_2 (A + B + C + D) + E] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

(b) Price per yard of fabrics from dyed yarn

$$= [U_1 \times (A + B + D) + U_2 (A + B + D) + E] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

II. For fabrics woven on hand loom —

(a) Price per yard of piece dyed fabrics

$$= [U_1 \times (A + B + C + D) + U_2 (A + B + C + D) + F] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

(b) Price per yard of fabrics from dyed yarn

$$= [U_1 \times (A + B + D) + U_2 (A + B + D) + F] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

Price Schedule VI (Contd.)

3. Tables :

A. For 1 lb. of fabric take the price of 1.05 lbs. of yarn	B. Return on yarn at 6.5% on A			
C. Piece Dyeing Charges, = Re. 0.55 per lb.	Charges based on Picks			
D. Charges by weight :—  Count in skeins	Rs./lb.	Picks per inch	E. Woven on power looms Rs./yd.	F. Woven on hand looms Rs./yd.
3.5	1.47	10	0.40	0.39
5	1.48	14	0.56	0.54
7.5	1.50	18	0.72	0.70
10	1.53	22	0.88	0.86
12.5	1.55	26	1.04	1.01
15	1.57	30	1.20	1.17
17.5	1.60	34	1.36	1.32
20	1.63	38	1.52	1.48
22.5	1.65			

NOTES.— (i) Figures in tables C, D, E and F are inclusive of return on capital employed.

(ii) For intermediate counts, figures in table D may be suitably interpolated; for extrapolation beyond 22.5 skeins add Re. 0.01 per skein.

(iii) For picks the figures in tables E and F may be interpolated or extrapolated in the usual way.

*Schedule for calculating the price of Woollen and Shoddy fabrics for Mills using bought yarn for the years 1962/63 to 1964/65 (Subject to excise duty on fabrics)*

1. For any fabric the price of which is to be determined, the following specifications should be obtained :—

P = Width on loom in Centimetres;	Q = No. of ends per Centimetre on loom;	R(a) = Metric Count of warp yarn;
R(b) = Blend of Wool for R(a);	S = No. of picks per Centimetre in grey stage	T(a) = Metric count of weft yarn;
T(b) = Blend of Wool for T(a);	U = Weight per grey metre in kg.;	V = Shrinkage as percentage per finished metre.
U <sub>1</sub> = Weight of weft yarn per metre = $\frac{P \times S}{1000 \times T(a)}$ ;	U <sub>2</sub> = Weight of weft yarn per metre = U - U <sub>1</sub> ;	

W = (a) Wool dyed or piece dyed, (b) To be woven on power loom or hand loom.

[NOTE.—U should not exceed the theoretical weight per metre (calculated from specifications) by more than 4% in the case of fabrics other than rugs and 8.5% in the case of rugs, on the average, for any manufacturing unit.]

2. The price per metre of any woollen fabric should be obtained by applying the appropriate figures from the specifications and the tables below, adopting the following formulae :—

I. For fabrics woven on power loom :—

$$(a) \text{ Price per metre of Piece dyed fabrics} = [U_1 \times (A + B + C + D) + U_2 (A + B + C + D) + E] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

$$(b) \text{ Price per metre of fabrics from dyed yarn} = [U_1 \times (A + B + D) + U_2 (A + B + D) + E] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

II. For fabrics woven on hand loom :—

$$(a) \text{ Price per metre of piece dyed fabrics} = [U_1 \times (A + B + C + D) + U (A + B + C + D) + F] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

$$(b) \text{ Price per metre of fabrics from dyed yarn} = [U_1 \times (A + B + D) + U_2 (A + B + D) + F] \times \frac{100 + V}{100} \times \frac{100.75}{100}$$

## Price Schedule VI-A (Contd.)

## 3. Tables :

A. For 1 Kg. of fabric, take the price of 1.05 Kgs. of yarn		B. Return of yarn at 6.5% on A	
C. Piece dyeing charges at Rs. 1.21 per kg.			
D. Charges by weight.		Charges based on picks	
Metric count	Rs./Kg.	Picks per Centimetre	F. Woven on hand looms Rs./metre
1.5	3.23	4	0.44
2.5	3.26	6	0.67
4	3.31	8	0.89
5.5	3.38	10	1.11
7	3.44	12	1.33
8.5	3.50	14	1.55
10	3.58	16	1.78
11.5	3.63		

NOTE.—(i) Figures in Tables C, D, E and F are inclusive of return on capital employed.

(ii) For intermediate counts the figures in Table D may be suitably interpolated.

For extrapolation beyond counts 11.5 mm. add Re. 0.04 per count.

(iii) For picks, the figures in Tables E and F may be interpolated or extrapolated in the usual way.

*Price schedule for the plain hosiery articles made out of 2/22's and 2/32's worsted yarn for the years 1962/63 to 1964/65*

1. For any article the price of which is to be determined, the following specifications should be obtained:—

K = Count of yarn used.

L = Size of Garment in the case of Bodywears.

M = Finished weight of article (in ozs.).

N = Type of machine used (Flat or Circular) in the case of Bodywears.

2. The price per piece of hosiery article should be obtained by applying the following formulae:—

I. For Bodywears made out of 2/22's yarn on—

(a) Flat machine . . . . .  $M \times (A + B) + D + (M - C) \times 0.40$

(b) Circular machine . . . . .  $M \times (A + B) + E + (M - C) \times 0.40$

II. For Bodywears made out of 2/32's yarn on:

(a) Flat machine . . . . .  $M \times (A + B) + F + (M - C) \times 0.45$

(b) Circular machine . . . . .  $M \times (A + B) + G + (M - C) \times 0.45$

NOTE.— In the above formulae (M—C) should be taken with the proper sign, i.e., if it be negative the amount has to be deducted.

III. For Socks, Gloves and Mufflers:

(a) Made out of 2/22's yarn . . . . .  $M \times (A + B + H)$

(b) Made out of 2/32's yarn . . . . .  $M \times (A + B + I)$

Price Schedule VII (contd.)

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3. Tables :

A. For the following items:—

For each oz. of the finished weight, take  
the price of the following quantities of  
yarn in ozs.

(i) Sleeveless articles	1.216
(ii) Sleeved articles	1.243
(iii) Socks	1.099
(iv) Mufflers	1.081
(v) Gloves	1.162

B. Return on yarn:—  
7.5% on A.

Item	Size Group	C ozs.	D Rs.	E Rs.	F Rs.	G Rs.	H Rs.	I Rs.
(i) Slipover	36-40	8.5	5.05	4.62	5.58	5.01	..	..
	30-34	7	4.24	3.91	4.63	4.20	..	..
	24-28	5	3.07	2.84	3.36	3.06	..	..
	18-22	2	1.75	1.61	1.92	1.73	..	..
(ii) Sleeveless Coats	36-40	8.5	5.24	4.82	5.77	5.20	..	..
	30-34	7	4.39	4.06	4.80	4.36	..	..
	24-28	5	3.18	2.96	3.47	3.17	..	..
	18-22	2	1.82	1.69	2.01	1.81	..	..
(iii) Pullovers	36-40	16	8.85	8.11	9.78	8.79	..	..
	30-34	12.5	7.16	6.59	7.88	7.11	..	..
	24-28	7.5	4.79	4.37	5.29	4.73	..	..
	18-22	3.5	2.84	2.61	3.14	2.82	..	..
(iv) Cardigans	36-40	16	9.24	8.46	10.20	9.14	..	..
	30-34	13	7.68	7.08	8.42	7.59	..	..
	24-28	8	5.24	4.82	5.76	5.19	..	..
	18-22	3.5	3.10	2.84	3.40	3.07	..	..
(v) Socks	..	..	..	..	..	..	0.57	0.77
(vi) Mufflers	..	..	..	..	..	..	0.55	0.64
(vii) Gloves	..	..	..	..	..	..	0.89	1.09

NOTE.— In the case of articles from top dyed yarn, the charges determined as above should be reduced at the rate of Re. 0.05 per oz. of finished weight of the article.

*Schedule for calculating the price of Plain Hosiery Articles made out of 2/25 mm and 2/36 mm worsted yarn for the years 1962/63 to 1964/65*

1. For any article the price of which is to be determined, the following specifications should be obtained:—

K = Count of yarn used.

L = Size of Garment in the case of Bodywears.

M = Finished weight of article (in kgs.).

N = Type of machine used (Flat or Circular) in the case of Bodywears.

2. The price per piece of hosiery article should be obtained by applying the following formulae:—

I. For Bodywears made out of 2/25 mm yarn on:—

(a) Flat machine . . . . .  $M \times (A + B) + D + (M - C) \times 14.11$

(b) Circular machine . . . . .  $M \times (A + B) + E + (M - C) \times 14.11$

II. For Bodywears made out of 2/36 mm yarn on:—

(a) Flat machine . . . . .  $M \times (A + B) + F + (M - C) \times 15.87$

(b) Circular machine . . . . .  $M \times (A + B) + G + (M - C) \times 15.87$

NOTE.—In the above formulae (M—C) should be taken with the proper sign, i.e., if it be negative the amount has to be deducted.

III. For Socks, Gloves and Mufflers:—

(a) Made out of 2/25 mm yarn . . . . .  $M \times (A + B + H)$

(b) Made out of 2/36 mm yarn . . . . .  $M \times (A + B + I)$





20.1. There is lack of uniformity in the selling system of woollen yarns and woollen fabrics. The current practice of mills is to sell yarn (other than hosiery yarn) either through selling

20. Distribution system agents/brokers/commission agents or directly to consumers. Hosiery yarn is sold directly to the units holding quota permits from the Hosiery Federation of Ludhiana according to the distribution scheme prescribed by the Textile Commissioner. The number of intermediaries in the distribution of yarns is few as the weaving units are their principal consumers.

20.2. As regards knitting wool and fabrics a more elaborate sales organisation is necessary because of the large number of consumers spread over various parts of the country who have to be catered to according to their means and their varying tastes for design and colour. The running of mill shops for retail sales is not common in the woollen industry. Raymond Woollen Mills and Panipat Woollen and General Mills have made a beginning in this direction and have established mill shops at selected centres. The two units of the B.I.C. (Lalimli and Dhariwal) Oriental Carpet Manufacturers and Shri Digvijay Woollen Mills run mill shops for their employees.

20.3. The general practice of mills is to sell to wholesalers on the basis of the orders booked through their selling agents or brokers. The wholesalers sell to dealers and retailers and retailers supply the goods to the ultimate consumers. Thus in the case of knitting wool and woollen fabrics, there exist three types of intermediaries between the mills and the consumers, namely, selling agents/brokers, wholesalers and retailers. Some of the woollen mills and factories are suppliers to Government departments such as Defence Services and Railways, etc. We are informed by the Director General of Supplies and Disposals that the requirements of Government are obtained by the Central Purchase Organization by invitation of tenders from approved contractors or by advertisement in the Indian Trade Journal. The total purchase of D.G.S. & D. was of the order of Rs. 4.55 crores for 1958-59 and Rs. 3.36 crores in 1959-60 covering such items as blankets, blanketing cloth, serge battle dress, other serges including khaki and blue, shirting Angola drab, great coat cloth, jerseys/pullovers/socks and other hosiery items and other miscellaneous woollen goods. With certain rare exceptions it is the usual practice of the manufacturers to handle sales to Government directly thus avoiding payment of commission or brokerage to intermediaries.

20.4. It is the general practice in the woollen industry to give trade discounts to wholesalers for fabrics and hand-knitting yarn (wool) on list prices. The rates of commission and discount together generally vary from 14 to 18 per cent in the case of fabrics and 16 to 28 per cent in the case of knitting wool. Manufacturers do not generally give any credit facilities to their wholesalers.

20.5. The multi-tier system of distribution adopted by mills in their present selling arrangements led us to examine if some of the intermediaries could be eliminated as unnecessary links in the chain. The

representatives of the industry urged that the prevailing selling system was a sort of natural evolution of the industry's pattern of trade and that its continuance was necessary on both historical and economic grounds. As regards weaving and grey knitting yarn since the weaving units at Amritsar and processors in Delhi and elsewhere were quite large in number and of varying sizes and importance, it was not possible for the spinning mills situated at distant centres like Bombay to have direct dealings with them. It was also urged that in some cases the selling agents took the *del credere* risk. Even if price and distribution controls might provide for direct dealings the services of the selling agents cannot be dispensed with in view of the dislocation that it might cause on the termination of controls. In our opinion there is considerable force in this contention.

20.6. For the distribution of fabrics and knitting yarn (wool), there is a need for a multi-tier system of distribution. Consumers of these goods are scattered all over the country and the producers have to provide for extra remuneration as an inducement to wholesalers and dealers who have to bear considerable hazards of trade due to the changes in consumers' demand. The representatives of the industry urged that any reduction of the number of intermediaries was fraught with the danger of disrupting the market, and would deprive the industry of certain valuable economic services like credit and bill collection rendered by the intermediaries.

21.1. Having suggested the basis of fixing fair ex-mill prices in paragraph 19 the question of determining fair wholesale and retail prices required by our reference is discussed below.

#### 21.2. Yarn :

21.2.1. We have referred to the maximum ex-factory prices of worsted hosiery yarn fixed by the Textile Commissioner, the self-regulated prices for weaving and shoddy yarns adopted by FWMI in November 1960, and to the complaints about high market prices prevalent for such yarns at Ludhiana and Amritsar. Reference, in particular, was made to loopholes which had led to the development of a regular black market in yarns due to the fact that the obligations for price control measures applied only to the spinning mills but when the latter sold the material to a stockist/dealer at Amritsar, Ludhiana or any other place, nothing prevented the latter from charging his own prices. Due to the wide prevalence of such malpractices at Amritsar and Ludhiana the market prices there have not been accepted by us as offering any dependable guidance in the determination of the fair margin between wholesale and retail prices of yarns at important consuming centres. Mention was made that absence of a proper cost and profit correlation between the hosiery yarn and other types of worsted yarn, such as weaving and knitting yarns was responsible for further price distortions and manipulations of the market in favour of weaving yarn which was more profitable to spinners. It was also reported that

disparities in price differentials for different counts of hosiery yarn induced spinners to curtail their production of less remunerative yarns and to switch on to the finer counts which yielded larger profits. As already stated distributional and allied production problems are to be dealt with by appropriate administrative authorities and we have treated them as outside the scope of our inquiry. We have considered the problem only in so far as it pertains to the current price mechanism with a view to determining reasonable prices at all levels, namely, ex-mill, wholesale and retail on the basis of a fair remuneration for the parties concerned in the manufacture and sale of woollen yarns and fabrics.

21.2.2. The comprehensive schedules of fair ex-mill prices (including the fair return to the industry and covering by far the largest proportion of yarn and fabric production) as recommended by us, should in our view, remove the loopholes in the current pricing system particularly in regard to anomalous price differentials and also provide a basis on which reasonable wholesale and retail prices can be calculated. Since we have allowed the same return for different counts of yarn, there should normally be no inducement to a spinner to manipulate his production pattern against genuine market demand for making a fortuitous gain by concentrating on particular types and counts. We have taken the fair ex-mill prices (inclusive of return) as the basis for determining consumer prices. Such ex-mill selling prices will have to be determined by the Textile Commissioner on a comprehensive basis, covering both raw materials and conversion charges in the manner indicated in paragraph 19. Excise duty, central sales tax and any other levies payable by the producer should be shown separately as they are recovered from the consumer. Ex-mill selling prices fixed by the Textile Commissioner will not include any commission, discount or rebate therefrom. In the circumstances, it will be reasonable to allow a spread between ex-mill and consumer prices in a manner which will provide due coverage in respect of commission and discounts enjoyed by each tier in the distributive trade according to normal and/or established trade practice.

21.2.3. Yarn and fabrics are at present treated differently by the industry and the trade in the matter of commission and discounts. As already discussed in paragraph 20.1 in the case of worsted weaving, hosiery and grey knitting yarns and shoddy yarns, there are only a few intermediaries between the mill and the consumer. The commission paid to the selling agent by the majority of spinning mills and composite units having a surplus of yarn for disposal is generally not more than two per cent. We do not therefore consider that it would be justifiable to provide for a larger margin. Accordingly when a weaving or hosiery unit or a yarn processor buys its yarn from a wholesaler or local dealer, the price payable by it should not exceed the maximum ex-mill selling price by 2 per cent. The buyer will have in addition to pay transport charges from the mill to the place of delivery, excise duty, central sales tax and other levies in force. Having regard to the nature of the trade in worsted weaving, hosiery, grey knitting and shoddy yarns

which are consumed by weaving and hosiery units and yarn processors we do not consider it necessary to fix a separate set of retail prices. As regards knitting yarn (wool), however, consumers are scattered all over the country and the marketing arrangements are more or less akin to those for fabrics.

21.3. *Hosiery*.—A pattern is laid in the Textile Commissioner's notification for hosiery articles. It provides that the maximum retail prices of the woollen hosiery articles should be the maximum ex-factory prices specified therein plus twenty five per cent. The notification has fixed the spread from ex-factory price to the retail price without specifying how the margin between the two should be shared between wholesalers and retailers; in effect, there are no standard wholesale prices laid down for hosiery articles. We are of opinion that in respect of hosiery articles the pattern already established by the Textile Commissioner be continued, except that excise duty paid on yarn consumed need not be shown separately as this has been included in the raw material cost. At present all hosiery goods have, by executive notification been exempted from payment of central excise duty and handloom cess.

#### 21.4. *Worsted, woollen and shoddy fabrics :*

21.4.1. It is a common practice with all important mills to publish wholesale prices for fabrics. Raymond Woollen Mills has also been publishing retail prices every year. We were informed by representatives of the B.I.C. units and Shree Digvijay Woollen Mills that the fixing of retail prices for their fabrics was under their active consideration.

21.4.2. The determination of wholesale and retail prices is related to the question of margins to be allowed to wholesalers and retailers and we have received relevant information from certain mills. All these mills, as stated earlier, allow commission, trade discounts etc., to their selling agents, brokers and wholesalers at varying rates aggregating to 14 per cent to 18 per cent on list prices in the case of fabrics. Almost all the units have expressed the view that a reasonable margin between the retail price and the price paid by the wholesaler to the mill or the list price should be about 20 per cent of the latter. Only one mill has stated that the margin in respect of its costly varieties should be about 28 per cent. Prices payable by a wholesaler to a mill cover not only the central excise duty and the handloom cess but also the commission payable by the mill to its selling agents. Accordingly, the margin suggested by the majority of mills, when related to the *net* price retained by the mill *plus* the excise duty and the handloom cess, works to about 25 per cent. Having regard to the seasonal nature of demand for woollen goods and consequent locking up of capital over long inactive periods of trade in the off-season, losses due to wastages caused by odd lengths and end pieces which have to be disposed of at concessional prices and also bearing in mind the point stated in paragraph 21.2.2, we are of the view that the margin between the maximum retail prices of woollen goods other than hosiery goods and their ex-mill prices determined in accordance with our Schedule

should be not more than 25 per cent in excess of the latter price. The industry should however be left free to decide how this margin of 25 per cent should be distributed between the selling agents, wholesalers and retailers. We therefore, refrain from recommending any set of wholesale prices for fabrics. However, we consider that there should be no objection to any mill fixing and publishing its wholesale and retail prices within the ceilings prescribed for the latter, if it chooses to do so. Our conclusion in this respect applies also to knitting yarn (wool).

21.4.3. In determining the retail price on the basis of a spread from fair ex-mill price we have considered two relevant issues; first what the spread should be and whether any distinction need be made in this respect between high priced and low priced fabrics like rugs and blankets; and, secondly, whether the retail price should be uniform for all territories in India. We have noticed that currently some of the producers allow a slightly lower margin to wholesalers and retailers for blankets and rugs than for other fabrics. While *prima facie* this would appear to be reasonable, the need for making the distinction would be minimised from the mills' point of view according to the formula recommended by us under which all fabrics would be brought on a comparable level by the application of a uniform return to their respective costs. Differential spreads for different fabrics according to their price range might involve administrative complications. As regards consumers' interests, they will be adequately protected because the retail prices will be fixed as 'ceiling' prices and it will be open to the retail seller to make necessary adjustments from his margin within the permissible maximum price.

21.4.4. On the question whether there should be a uniform retail price for the whole country or there should be separate regional prices, evidence received by us was all in favour of a uniform price. The representatives of the small scale sector stated at the public inquiry that although it had some special problems it would, if required, fall into line and adopt a scheme of uniform retail price for the whole country. We consider that for an essential commodity for mass consumption like woollen fabrics a uniform retail price scheme is preferable to any scheme of zonal price. In recommending the uniform price scheme we recognise that railway freight to be borne by retailers will involve in some cases an extra burden for them particularly at distant parts of the country. However, we consider that this cost of freight and other incidental expenses for handling, etc., will be fully covered if the margin between the retail price and the ex-mill price is fixed at 25 per cent of the latter.

21.5. Briefly our recommendations in regard to ex-mill and retail prices are as follows:—

(a) *Yarn*.—(1) Ex-mill selling prices of worsted yarn (weaving, hosiery and grey knitting) and woollen/shoddy yarn should be worked out from time to time by the Textile Commissioner to take account of significant variations in costs of raw materials and to cover both

raw materials and conversion charges in the manner indicated in Schedules IA and IIA of paragraph 19.1. These prices should be fixed as maximum ex-mill selling prices.

(2) Prices of worsted yarn (weaving, hosiery and grey knitting) and woollen/shoddy yarn purchased from a wholesaler or local dealer should not exceed the maximum ex-mill selling price by 2 per cent. In addition, the buyer will have to pay transport charges from the mill to the place of delivery.

(3) Save as above it is not necessary to fix retail selling prices for worsted yarn (weaving, hosiery and grey knitting) and woollen/shoddy yarn. As regards hand knitting yarn (knitting wool), the maximum retail price shall be the maximum ex-mill price *plus* 25 per cent.

(4) Excise duty, central sales tax and any other levies in force, Central or State, should be shown separately in all the above cases and recovered from consumers.

(b) *Woollen hosiery articles.*—After the prices of hosiery yarn have been fixed by the Textile Commissioner as above the maximum ex-mill and the maximum retail prices of woollen hosiery articles may be fixed by the Textile Commissioner in accordance with Schedule VII-A and in the manner followed in his Notification No. POL-II/2(105)/61 dated 11th January, 1961. The excise duty paid on yarn used in the hosiery articles need not be shown separately as it has been included in the cost of raw materials.

(c) *Wollen and worsted fabrics other than hosiery articles.* —  
(1) The maximum ex-mill prices of such fabrics should be fixed in accordance with the appropriate Schedules III-A to VI-A and in the manner explained in paragraph 19.

(2) Uniform retail prices for woollen and worsted fabrics should be fixed for all parts of the country. The maximum retail price of a fabric shall be its maximum ex-mill price *plus* 25 per cent, no extras will be payable for transport charges from the mill. Suitable arrangements should be made by the mill to display on each fabric (a) the maximum ex-mill price, (b) Central excise duty and handloom cess and (c) the maximum retail price payable by a consumer.

(3) The excise duty, the handloom cess and any other levies in force, Central or State, should be shown separately and recovered from buyers.

(4) No separate margin need be fixed for the several intermediaries in the woollen textile trade for fabrics, hand-knitting wool and hosiery articles. The margin over the maximum ex-mill selling prices allowed in the retail price may be distributed by a mill in the manner it thinks best. The share will naturally bear some relation to the services rendered by the wholesalers or other intermediaries and take note of the ceiling on retail prices. In the interest of the producer and the consumer the fixation of ex-mill and ultimate retail selling prices will be sufficient.

21.6. The attainment of the objective of statutory fixation of prices in the interest of the consumer will depend almost entirely on the effective enforcement of such prices. From the evidence placed before us it appears that the mills at present hardly exercise any control over prices at the retail end and those whose dealings do not extend beyond the wholesalers take no responsibility whatsoever for the prices which the retailers charge to the consumer. Only one mill has so far fixed and publicised retail prices but we had no satisfactory evidence to show that the retailers were adhering to the prescribed retail prices. In short-supply conditions the retailers are naturally tempted to exploit the situation and charge unconscionably high prices to the consumer in disregard of the consideration that such behaviour on their part may adversely affect the reputation of the manufacturers. At the public inquiry, the representatives of the industry recognised the gravity of the problem and they agreed to take necessary steps to control their retail prices hereafter and to publicise them as widely as possible. Producers and distributors should also be ready to inquire into complaints of profiteering by retailers and cancel their franchise if default is established. While the co-operative gesture indicated by the industry at the public inquiry is reassuring, we consider that in a statutory control scheme more effective steps should be taken by Government. We recommend that in the enforcement of the scheme, the Textile Commissioner should take steps by requiring every producer to stamp the ex-mill and retail prices along with excise duty on the fabric piece or on a tag securely fastened to the manufactured article. Such a measure backed by the co-operation of the industry and necessary administrative vigilance on the part of Textile Commissioner's Office is, in our opinion, absolutely essential if price control has to yield the desired results. Since the control schemes are framed under the Essential Commodities Act, an awareness must grow on the part of the trader that a breach thereof will be visited with prosecution and that firm action on the part of State enforcement machinery will be forthcoming.

22. Our conclusions and recommendations are summarised below :—

**Summary of conclusions  
and recommendations**

(1) The scope of the inquiry covers different types of woollen yarns including carpet yarn, shoddy woollen yarn and worsted yarn (including hosiery yarn) and woollen fabrics (including blankets and rugs) and hosiery goods. Belting and other industrial yarns, carpets and felts are excluded from the scope.

[Paragraph 2.1]

(2) An old and established industry which has not received protection, the woollen industry has developed haphazardly.

[Paragraphs 4.1. and 5.2]

(3) Controls, statutory and otherwise, have been in vogue for the last three years following scarcity conditions of woollen products ; but it has been represented that they have not been effective.

[Paragraph 4.6]

(4) India produces mainly the carpet type of wool and the industry has, therefore, to depend on imported wool for the manufacture of finer yarn and fabrics.

[Paragraph 9.2.3]

(5) In view of the wool combing capacity already installed or expected to be installed by the end of the Third Five Year Plan aiming at progressive substitution of imports of wool tops by indigenously produced tops and on the basis of an overall monetary ceiling of Rs. 9 crores (1961-62) for the import of woollen raw materials (raw wool, wool tops and shoddy wool), a tentative estimate is made of the availability of imported raw materials for shoddy, woollen and worsted spinning in 1962, 1963 and 1964.

[Paragraphs 10.3.1, 10.3.2, and 10.3.3]

(6) The potential demand for all types of woollen and worsted yarn would be of the order of 41.50 million lbs. in 1962-63, 44.30 million lbs. in 1963-64, 48.20 million lbs. in 1964-65 and 52.00 million lbs. in 1965-66.

[Paragraphs 11.1.3, and 11.1.4]

(7) The demand for woollen/worsted fabrics is estimated at 23 million yards in 1962-63, 27 million yards in 1963-64, 31 million yards in 1964-65 and 35 million yards in 1965-66.

[Paragraph 11.2.2]

(8) The demand for shoddy handloom woollen fabrics and blankets is estimated at 7.5—9.0 million lbs. per annum during 1962, 1963 and 1964.

[Paragraph 11.3]

(9) No estimate of demand for hosiery goods is available, but the consumption of hosiery yarn is estimated at 3.6 million lbs. in 1962, 3.7 million lbs. in 1963 and 4.0 million lbs. in 1964.

[Paragraph 11.4]

(10) About one half of the output of Indian wool is exported and various incentives are offered to ensure exports of finished goods.

[Paragraphs 12.2, 12.3.1 and 12.3.2]

(11) In view of the fluctuations in prices of raw materials which account for the major part of the total cost and having regard to the numerous varieties of fabrics produced with wide difference in quality and design, the costing of the selected units had to be undertaken particularly with a view to arriving at the manufacturing costs by assessing conversion charges for both yarns and fabrics exclusive of the raw material content. This was also necessary for purposes of determining fair prices for future as the cost of the material could be added to the conversion costs to arrive at the cost per unit of yarn and/or fabric produced.

[Paragraph 14.5]



(12) On the basis of data collected in respect of selected units ex-factory costs of yarn and fabrics have been built up for the industry as a whole.

[Paragraphs 15.1.1 to 15.8.2.2]

(13) On the basis of representative costs of the industry, estimates of probable costs exclusive of raw materials for the three years 1962-63 to 1964-65 are made taking note of probable volume of production and probable increases in the elements of wages and salaries, stores, power and fuel, etc. in line with the present trends.

[Paragraphs 15.9.1 to 15.9.3]

(14) A rate of return of 12 per cent on capital employed by spinning and weaving units should be reasonable for determining fair ex-works prices of yarns and fabrics. This has been apportioned for raw material and processing costs separately.

[Paragraphs 16.4 and 16.5]

(15) While ordinarily a case does not exist for a special rehabilitation allowance, in view of the special features of the industry now prevailing, specific extras as an allowance for rehabilitation to the spinning and composite units only are recommended to be added to the fair ex-works price inclusive of return on woollen/shoddy, worsted yarn and fabrics at rates stated in paragraph 17.10 and subject to conditions laid down.

[Paragraphs 17.9 and 17.10]

(16) By adding the price of appropriate quantity of wool tops or yarn to the estimated costs of conversion, the quantum of return and allowance for rehabilitation, the prices of worsted yarn, fabrics and hosiery articles can be fixed. Similarly adding the price of appropriate quantity of wool blend or shoddy wool blend the prices of woollen and shoddy yarn and fabrics can be fixed.

[Paragraph 18.1]

(17) On the basis indicated in paragraph 18, seven schedules have been framed for fixation of prices of the different kinds of yarns, fabrics and hosiery articles. We recommend that these schedules should apply as ceilings for all kinds of yarn, worsted, woollen or shoddy fabrics and hosiery articles, excluding such portion of a unit's production, as may be allowed by Government to be outside price control, and should remain effective for three years ending 30th September, 1965.

[Paragraphs 19.1 and 19.2]

(18) The prices fixed for yarn should be for the actual weight of the yarn sold without any adjustment for moisture content.

[Paragraph 19.9]

(19) For visible waste recovered from spinning worsted yarn, an average credit of 50 per cent of the price of tops should be taken.

[Paragraph 19.10]

(20) Our principal recommendations in regard to ex-mill and retail prices of worsted (weaving, hosiery and grey knitting), woollen/shoddy yarn, woollen hosiery articles and woollen and worsted fabrics other than hosiery articles are given *in extenso* in paragraph 21.5.

[Paragraph 21.5]

(21) A spread of 25 per cent between the ex-mill prices of woollen goods other than hosiery goods determined in accordance with our schedules and retail prices of corresponding categories will not burden the consumer. Fixation of wholesale prices is not attempted and within the ceiling for retail prices, the margin may be left to be determined by the industry.

[Paragraph 21.4.2]

(22) For an essential commodity for mass consumption like woollen fabrics, a uniform retail price scheme is preferable to a zonal price scheme.

[Paragraph 21.4.4]

(23) In the enforcement of the scheme, the Textile Commissioner should take steps by requiring every producer to stamp the ex-mill and retail prices along with excise duty on the fabric piece or on a tag securely fastened to the manufactured article. Such a measure backed by the co-operation of the industry and necessary administrative vigilance on the part of Textile Commissioner's office is absolutely essential if price control has to yield the desired results. It has also to be impressed upon intermediaries in the trade that since the control schemes are framed under the Essential Commodities Act, a breach thereof will be visited with prosecution and firm action on the part of State enforcement machinery will be forthcoming.

[Paragraph 21.6]

23. We wish to express our thanks to the representatives of the industry, various associations connected with woollen industry and trade and representatives of Government departments and specially the Textile Commissioner and his technical staff for furnishing us with information, offering suggestions and tendering evidence in connection with this inquiry.

**Acknowledgements**

K. R. P. AIYANGAR,  
*Chairman.*

J. N. DUTTA,  
*Member.*

J. N. SENGUPTA,  
*Member.*

R. BALAKRISHNA,  
*Member.*

PRAMOD SINGH,  
*Secretary.*

BOMBAY,

Dated 4th June, 1962.

APPENDIX I  
[Vide Paragraph 1]  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
RESOLUTION

*New Delhi, the 24th October, 1960.*

**No. 17(47)-Tex(D)/60.**— The Government of India received reports that woollen and worsted manufactures have been selling at high prices, which could not be justified by the cost of production for these goods. The manufacturers of hosiery goods in particular were experiencing great difficulty in obtaining their requirements of hosiery yarns at reasonable prices. After considering the matter, the Ministry of Commerce and Industry obtained a report from the Chief Cost Accounts Officer of the Ministry of Finance, on the price structure of worsted hosiery yarns. The maximum buying/selling prices for these yarns have now been fixed under Section 18 G. of the Industries (Development & Regulation) Act, 1951 *vide* notification No. S. O. 1662, dated the 2nd July, 1960.

2. The Government are anxious that woollen and worsted manufactures should be made available to consumers at reasonable prices, and that consumers should not be charged unduly high prices in relation to the actual cost of production. It is, therefore, considered necessary to have the entire cost structure for all these goods examined by the Tariff Commission. The Tariff Commission is accordingly requested, under Section 12(d) of the Tariff Commission Act, 1951 to examine and report on the fair prices for all types of woollen/shoddy, woollen/worsted yarn including hosiery yarn and fabrics including hosiery goods and manufactures. The Commission is also requested to recommend the fair ex-mill prices and wholesale and retail prices as also the fair prices payable by consumers in various regions. In conducting its enquiries, the Tariff Commission will no doubt take into account the cost of raw materials, power, wages and other overheads, as also any other factors which may be considered relevant.

3. Firms or persons interested in the matter, who desire that their views should be considered, may address their representations to the Secretary, Tariff Commission, Central Government Offices Building, 101, Queen's Road, Bombay-I.

ORDER

ORDERED that the Resolution be published in the *Cazette of India* and that it be communicated to all concerned.

(Sd. S. RANGANATHAN)

*Secretary to the Government of India.*

## APPENDIX II

[Vide Paragraph 3.1]

*List of those to whom the Commission's questionnaires/letters were issued and from whom replies/memoranda were received.*

\*Indicates those who have replied.

†Indicates producers who have replied to the preliminary questionnaire.

‡Indicates those who have stated that they have no comments to offer.

### A. PRODUCERS

#### GUJARAT

- †\*1. Shree Digvijaya Woollen Mills Ltd., Aerodrome Road, Jamnagar.
- \*2. Shri Dinesh Mills Limited, Padra Road, P. B. No. 65, Baroda.
- ‡3. The Navjivan Mills Private Ltd., Karol, (North Gujarat).
- ‡4. Mehta Industries, Madhia Road, New Kumbharwada, Bhavnagar.

#### JAMMU & KASHMIR

- †5. The Government Woollen Mills, Srinagar.

#### MADHYA PRADESH

- 6. Gwalior Wool Industries, P.O. Birlanagar, Gwalior.

#### MYSORE

- †\*7. The Bangalore Woollen, Cotton & Silk Mills Co. Ltd., Agraharam Road, Bangalore-2.
- 8. M. Anantharamiah Woollen & Cotton Works, Sowrashtpet, Bangalore-2.
- 9. A. Anantharamiah & Sons, Mysore Road, Bangalore.
- 10. Shri Mahalaxmi Woollen & Silk Mills Ltd., Yeshwantpur, Mysore.

#### MAHARASHTRA

- †\*11. The Bombay Fine Worsted Manufacturers, 'Castle Mills', Agra Road, Thana, Maharashtra.
- †\*12. Dhruva Woollen Mills Private Ltd., New Sun Mills Compound, Sun Mill Road, Lower Parel, Bombay-13.
- †\*13. The Raymond Woollen Mills Ltd., J. K. Building, Dougall Road, Ballard Estate, Bombay-1.
- †\*14. The Bombay Woollen Mills Private Ltd., 20, Hamam Street, Bombay-1.
- †\*15. Karamchand Thadaram, Prop. The Nagpal Woollen Mills, Atlas Mill's Compound, Reay Road, Bombay-10.
- †\*16. Gokalechand Rattanchand Woollen Mills Private Ltd., Agra Road, Ghatkopar, Bombay-77.
- †\*17. Madhu Wool Spinning Mills, 402, Cadell Road, Bombay-28.
- †\*18. Model Woollen Mills, 4-C, Vulcan Insurance Building, Veer Nariman Road, Bombay-1.
- \*19. Woollen & Textile Industries (Private) Ltd., Himalaya House, Paltan Road, Bombay-1.
- †\*20. Shree Krishna Woollen Mills Private Ltd., 166, Dadabhoy Naoroji Road, Bombay-1.

- †\*21. Dani Wooltex. Corporation, 7, Chinchpokli Cross Lane, Byculla, Bombay-27.
- †\*22. Simplex Woollen Mills, (Prop., Shivprakash Janakraj & Co.), Opp. Lion Pencil Mills, Ghodbunder Road, Dahisar, Bombay-68.
23. Jagdish Raj Seth, Moti Baug, Sion Trombay Road, Chembur, Bombay-68.
24. Kamal Kishore, C/o, M/s. Sitaram Jaigopal, Marwari Bazar, Bombay-2.
25. Rajendranath Widge, Moti Baug, Sion Trombay Road, Chembur, Bombay.
- \*26. Ahmed Woollen Mills, 87, Tambakanta, Nakhoda Street, Bombay-3.
27. Ahmednagar Dist. Industrial Co-operative Association Ltd., 4319, Court Galli, Ahmednagar.
- \*28. Modella Woollens Ltd., 4-C, Vulcan Insurance Building, Veer Nariman Road, Bombay-1.
- †28(a) National Woollen Mills, 166, Dadabhoy Naoroji Road. Bombay-1.

#### WEST BENGAL

- †\*29. Bharat Woollen Mills Ltd., 11, Esplanade East, Calcutta-1.
- \*30. The Bengai National Textile Mills Ltd., 87, Dharamtolla Street, Calcutta-13.
- †31. Jay Shree Textiles Ltd., Rishra, (Distt. Hooghly).
- †32. Calcutta Woollen & Silk Mills Ltd., 191, Mahatma Gandhi Road, Calcutta-7.
33. The New West Bengal Woollen Industries, 130, Bagmari Road, Calcutta.

#### DELHI

- †\*34 Premier Woollen Mills, 38, D.L.F. Industrial Area, Najafgarh Road, Delhi-15.
35. Punjab Cloth Mills, Pulbangash, Delhi.
- †36. Shri Gandhi Industries, 10, Khyber Pass, Civil Lines, Delhi-6.

#### UTTAR PRADESH

- †\*37. Cawnpore Woollen Mills Branch, The British India Corporation Ltd., Kanpur.
- \*38. E. Sefton & Co., Private Ltd., Mirzapur.
- †39. Allahabad Woollen Mills Private Ltd., P. B. No. 38, Subedarganj, Allahabad.
- †\*40. The Kailash Carpet Co., Dholpur House, Agra.
41. Abdullah (Haji) & Sons, Haji Building, Ghosia, P. O., Aurai District, Mirzapur.
- †42. Bhadohi Textile Industries Private Ltd., Bhadohi, Varenasi.
- †43. The Baij Nath Bankey Beharilal Woollen Mills, Kamla Tower, Kanpur.
- †44. J. K. Woollen Manufacturers Private Ltd., Kamla Tower, Kanpur.
45. Janta Textile Industries, Ghosia, P. O. Aurai, Banaras.
46. Kapoorchand Jain Woollen Mills, Katra Baji Rai, Mirzapur.
47. Masud Bros., Ghosia, P. O. Aurai, Banaras.
48. Salamtullah & Sons, Dackhin Phattrick Street, Mirzapur.
49. Salwan & Sufian, Bazar Ghosia P. O. Aurai, Banaras.
50. Shaban Blankets Industries, Bazar Ghosia P. O. Aurai, Banaras.
51. Shaikh Sakoor & Sons, Madhosingh Bazar, Aurai, Banaras.
52. Shaikh Shaban & Sons, Shaban Buildings, Bazar Ghosia, Aurai, Banaras.
- \*53. The Dayalbagh Textile Factory (Private) Ltd., Dayalbagh, Agra.
54. The Standard Carpet Co., Ltd., Ghosia P. O. Aurai, Mirzapur.

## PUNJAB

- †\*55. Indian Woollen Textile Mills (Private) Ltd., G. T. Road, Chheharta, Amritsar.
- †\*56. New Egerton Woollen Mills, Branch. The British India Corporation Ltd., Dhariwal.
- †\*57. The Oriental Carpet Manufacturers (India), Private Ltd., P. B. No. 34, Amritsar.
- †\*58. The Panipat Woollen & General Mills Co., Ltd., Kharar (Near Chandigarh), Distt. Ambala.
- †\*59. The Amritsar Rayon & Silk Mills Private Ltd., P. B. No. 20, Amritsar.
- †60. Himalaya Woollen Mills, G. T. Road, Chheharta, Amritsar.
- 61. Naveen Woollen Mills, Kharar, Distt. Ambala.
- †62. Sir Sahubji Maharaj Mills Ltd., G. T. Road, Putlighar, Amritsar.
- †63. S. P. Woollen Mills Putlighar, Amritsar.
- †64. The Punjab Woollen Textile Mills, G. T. Road, Chheharta, Amritsar.
- †65. The Amritsar Swadeshi Woollen Mills, G. T. Road, Putlighar, Amritsar.
- †66. Angora Spinning Mills, Civil Lines, Ludhiana.
- †67. Oswal Woollen Mills, Millerganj, G. T. Road, Ludhiana.
- †68. Krishna Kapoor & Co., Woodlands, The Mall, Amritsar.
- †\*69. Lal Woollen & Silk Mills, Putlighar, G. T. Road, Amritsar.
- †\*70. New Era Hindusthan Woollen Mills, Industrial Area 'A', Ludhiana.
- †71. Shree Vallabh Spinning Mills, Industrial Area 'A', G. T. Road, Ludhiana.
- †\*72. Padam Das & Co., (Woollen Mills) Ferozepur Road, Ludhiana.
- †\*73. Sri Bharat Woollen Mills, G. T. Road, Chheharta, Amritsar.
- †74. Everest Woollen Mills, G. T. Road, Near Phallaur Side By Pass, Ludhiana.
- †75. S. P. Worsted Spinning Mills, Verka, Amritsar.
- 76. Haryana Woollen & General Mills Ltd., P. O. Panipat, Punjab.
- 77. Raja Woollen Industries, G. T. Road, Panipat.
- †\*78. The Swadeshi Manufacturing Syndicate Private Ltd., Civil Lines, Ludhiana.
- †\*79. Pearl Woollen Mills (1), Pearl Buildings, G. T. Road, Ludhiana.
- †80. Pearl Woollen Mills (2), Industrial Area 'A', Ludhiana.
- †\*81. Oswal Cotton Spinning & Weaving Mills Ltd., Ludhiana.
- †\*82. Commonwealth Spinning & Knitting Mills Private Ltd., 236, Industrial Area 'A', Ludhiana.
- †83. Mahavir Woollen Mills, Miller Ganj, G. T. Road, Ludhiana.
- \*84. Central Woollen Mills, 422, Industrial Area 'A', Ludhiana.
- †\*85. The Fine Spinners, Kashmir Road, Amritsar.
- 86. G. M. Worsted Spg. Mills, G. T. Road, Chheharta, Amritsar.
- †87. Supreme Woollen Mills, 424, Industrial Area 'A', Ludhiana.
- †\*88. Mehra Spinning Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- \*89. International Woollen Mills, Ludhiana.
- 90. Prabhat Woollen Mills, Industrial Area 'A', Ludhiana.
- †91. Kapur Spinning Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- 92. Balakram Balkishan Textile Mills Ltd., Katra Jalianwala, Amritsar.
- 93. Bharat Udhart Cloth Manufacturing Co., P. B. 51, Ghee Mandi Gate, Amritsar.
- 94. Bhatia Textile Mills, Ghee Mandi Gate, Amritsar.
- \*95. Brijmohan Wvg. Factory, Pather Market, Ghantaghor, Amritsar.

- ‡96. The East Punjab Silk Mills, G. T. Road, Chheharta, Amritsar.
97. G. Kay Industries, 1053, Circular Road, Amritsar.
- ‡98. Hansa Cloth and General Mills, G. T. Road, Putlighar, Amritsar.
- ‡99. Hindustan Rayon & Woollen Textile Mills Private Limited, Chheharta, Amritsar.
100. Hiralal Woollen & Silk Mills, Inside Ghee Mandi Gate, Amritsar.
- †101. The Ideal Woollen & Silk Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- †102. K. Narindra & Co., Guru Bazar, Amritsar.
- ‡103. The Kailash Textile Mills, Chowk Khalsa College, Amritsar.
- ‡104. The Kapur Silk Weaving Mills, G. T. Road, Amritsar.
- ‡105. Keshava Silk Mills, G. T. Road, Amritsar.
- †106. Kaushi Ram Dwarka Nath Weaving Mills, Lawrence Road, Amritsar.
- ‡107. Abhi Textile Mills, Fatehgarh Road, Amritsar.
- †\*108. Amar Weaving & Lace Factory, Outside Ghee Mandi Gate, Amritsar.
- †109. Sant Ram Mehra Weaving Factory, Inside Ghee Mandi Gate, Amritsar.
110. Madan Woollen & Silk Mills, Ram Tirath Road, Amritsar.
111. Madanlal Rajkumar & Co., Inside Sultan Wind Gate, Amritsar.
112. Mehra Cloth & General Mills, 47, Dyanand Nagar, Lawrence Road, Amritsar.
113. Modern Textile Mills Ltd., Verka, Amritsar.
- †114. Mohan Textile Mills, Inside Sultan Wind Gate, Amritsar.
- ‡115. Nath Textile Mills, G. T. Road, Pipli Sahib, Amritsar.
116. Nathumal Durgadas Wvg. Mills, Chowk Pradagas, Amritsar.
- †117. The New Punjab Woollen Mills, G. T. Road, Chheharta, Amritsar.
- ‡118. Paul Textile Mills, Outside Lohgarh Gate, Amritsar-5.
119. Prabhat Textile Mills, Putlighar, Amritsar-5.
120. Prem Textile Mills, Putlighar, Amritsar.
121. Shri Raghavji Textile Mills, Circular Road, Amritsar.
122. Punjab Woollen & Silk Mills, G. T. Road, Amritsar.
123. Robindra Textile Mills, Jail Road, Amritsar.
- †124. S. N. S. Textile Mills, Old Distillery, Ram Talia, Amritsar.
- ‡125. Sangrana Woollen Mills, Sangrana Sahib, Amritsar.
126. Satya Weaving Mills, Outside Lahori Gate, Amritsar.
- †127. Sehgal Weaving Factory, Outside Ghee Mandi Gate, Building Balli Singh Bhagwan Singh, Amritsar.
128. Shankar Textile Mills, Vijaynagar, Batala Road, Amritsar.
129. Universal Textile Mills, Lawrence Road, Amritsar.
- ‡130. The Universal Textile & Dyeing Mills Co., Outside Ghee Mandi Gate, Amritsar.
131. Verindra Textile Mills, Putlighar, Amritsar.
132. Vijaya Textile Mills, Quilla Bhangian, Amritsar.
133. Adarsh Handicrafts (Private) Ltd., Gopal Nagar, Majit.
- †134. Bala Woollen Textile Mills, Alibux Road, Hide Market, Amritsar.
- †135. Vohra Textile Mills, Magbool Road, Amritsar.
- †136. Dharilal Woollen Mills, Finishing Mills Compound, (Islamabad), Amritsar.
- †137. Jannagar Woollen Textile Mills, Bagichi L. Maya Ram, Outside Lahori Gate, Amritsar.

138. The Chopra Weaving Mills, Katra Khazana, Amritsar.
139. Gokulchand Madanchand Woollen Mills, Keshav Silk Mills Bldg., G. T. Road, Chheharta, Amritsar.
- †\*140. Harnam Weaving Mills, Kucha, Khatikan, Amritsar.
141. J. K. Woollen & Silk Mills, Old Distillery, Near Ramtalai, Amritsar.
- †142. Northern India Woollen Mills, Krishan Nagar, Amritsar.
143. M. K. Woollen Mills, G. T. Road, Chheharta, Amritsar.
144. Pappu Woollen & Silk Mills, Old Distillery, Near Ram Talai, Amritsar.
- †\*145. The Union Textiles, Lawrence Road, Amritsar.
146. Super Punjab Woollen Mills, Inside Golwali Gate, Amritsar.
147. Shri Ram Woollen Mills, Opp. Post Office, G. T. Road, Amritsar.
148. Shree Sidheshwar Woollen Mills, 52-53, Sultanwind Road, Amritsar.
149. Shree Ganpathi Woollen Mills, Pandit Sitaram, Sultanwind Gate, Amritsar.
- †150. Tiger Woollen Mills, Head Water Works Road, Amritsar.
- †151. Vijaya Woollen Textile Mills, Batala Road, Vijaya Nagar, Amritsar.
152. Vinod Woollen Mills, Old Distillery, Ram Talai Road, Amritsar.
- †153. Punjab Woollen Manufacturers, Krishna Nagar, (Islamabad), Amritsar.
- †154. Crown Woollen Textile Mills, Batala Road, Amritsar.
- †155. Amritsar Woollen Mills, G. T. Road, Amritsar.
156. The Yog Textile Mills, Kishan Kot, Islamabad, Opp. Bara Makan, Amritsar.
- †157. Sham Textile Mills, Old Distillery, Outside Ghee Mandi Gate, Amritsar.
- †158. R. D. A. Woollen & Silk Mills, Ram Talai, G. T. Road, Amritsar.
- †159. M. M. Kapoor Weaving Factory, Ram Tirath Road, Amritsar.
- †160. R. L. Woollen Mills, Ram Tirath Road, Amritsar.
161. Chand Textile Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- †162. Mahindra Textile Mills, Old Distillery, Near Ram Talai Road, Amritsar.
- †163. Tarachand Shiv Kumar Textile Mills, Old Distillery, Ram Talai, Amritsar.
- †\*164. Diamond Woollen Mills, G. T. Road, Chheharta, Amritsar.
- †165. R. G. Prem Textile Mills, Outside Lahori Gate, Amritsar.
- †166. H. R. Textile Mills, Outside Lahori Gate, Amritsar.
- †167. Chaman Lal Brothers Textile Mills, Old Distillery, Ram Talai, Amritsar.
168. Golden Textile Mills, G. T. Road, Putlighar, Amritsar.
169. The Kiron Textile Mills, Kishan Kot, Islamabad, Opp. Bara Makan, Amritsar.
- †170. Surinder Weaving Factory, Golden Temple, Amritsar.
- †\*171. Oriental Textile Works, Lawrence Road, Amritsar.
- †172. Rana Textile Weaving Mills, G. T. Road, Chheharta, Amritsar.
- †173. Tej Textile Weaving Mills, G. T. Road, Chheharta, Amritsar.
- †174. Jawahar Textile Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- †175. Jahangir Textile Mills, Outside Chatiwind Gate, Amritsar.
176. Jandial Woollen & Silk Mills, Mohan Singh Gate, Amritsar.
177. Kalyan Textile Mills, G. T. Road, Amritsar.
178. Kashmir Woollen Mills, G. T. Road, Amritsar.
179. Kaushiram Kishan Chand Mills, Batala Road, Amritsar.



180. Mahalaxmi Hosiery & Textile Mills, Sir Gopaldas Road, Katra Ahluwalia, Amritsar.
- †181. Mehswari Textile Mills, Golden Temple Road, Amritsar.
182. Mehra Textile Mills, Jail Road, Lawrence Road, Amritsar.
183. Narayan Printing and Oil Mills, Taran Taran Road, Amritsar.
- †184. Nariandra Weaving Mills, Majitha Road, Amritsar.
185. Prabhat Weaving Mills, Inside Lahori Gate, Amritsar.
186. Rajkrishna Textile Mills, Outside Ghee Mandi, Amritsar.
187. Shakti Textile Mills, G. T. Road, Amritsar.
188. Sehgal Silk and Woollen Mills, Opp: Gao i Bagh, Amritsar.
189. Subhash Weaving Mills, Vijaya Nagar, Batala Road, Amritsar.
190. Swastik Textile Mills, Chowk Khalsa College, Amritsar.
191. D. R. Woollen Industries, G. T. Road Near Sonshala Building, Panipat.
192. Kapur Textile Industries, 34, Kila Bhanjan, Amritsar.
193. Satish Chandra, C/o. Balraj, 110, Dayanand Nagar, Amritsar.
- †194. Suresh Chandra Mehra, Prop. Suresh Fabrics, 18, Race Course Road, Amritsar.
195. Tara Textile Mills, H. No. 826, Kachha Gadian, Katrabhai Sant Singh, Amritsar.
- †196. Jai Gopal Chander Mohan, Old Distillery, Ram Talai, Amritsar.
- †197. Madan Textile Mills, O/S. Hakimian Gate, Amritsar.
198. Pradeep Woollen Mills, Chheharta, Amritsar.
199. Punjab Woollen & Rayon Mills, Chheharta, Amritsar.
- †200. Parkash Woollen Mills, G. T. Road, Amritsar.
- †\*201. New Bharat Woollen & Silk Mills, Dhab Khatikan, Amritsar.
- †202. K. L. Textile Mills, P. O. Rayon & Silk Mills, G. T. Road, Amritsar.
- †203. Marino Woollen Mills, Head Water Works Road, Amritsar.
- †\*204. Brij Textile Works, 130, Majitha Road, Amritsar.
- †\*205. The Anand Textile, Lawrence Road, Amritsar.
- †206. Ravi Woollen & Silk Mills, Ali Bux Road, Hide Market, Amritsar.
- †207. The Amritsar Swadeshi Manufacturers, Chowk Putlighar, G. T. Road, Amritsar.
208. King Woollen & Silk Mills, Outside Lahori Gate, Amritsar.
209. Indian Woollen & Silk Mills, Outside Lahori Gate, Amritsar.
210. Kanpur Woollen Textile Mills, Krishna Nagar, Amritsar.
- †211. Jagish Woollen Factory, Katra Karan Singh, Amritsar.
- †212. The United India Woollen Mills, G. T. Road, Putlighar, Amritsar.
213. Jiwan Textile Mills, Civil Lines, Ludhiana.
- †214. Kanshi Ram Kidar Nath, Katra Ahluwalia, Amritsar.
- †215. Nanu Mal Amar Nath, Near Aggarwal Dharam Shala, Panipat.
- †216. National Industrial Corporation, G. T. Road, Near Tehsil Bldg., Panipat.
217. Pawan Textile Mills, Madhopuri, Ludhiana.
- †218. Podar Textile Mills, New Khalsa College, Amritsar.
219. Raman Woollen & Silk Mills, Katra Ahluwalia, Amritsar.
220. Shree Radha Textile Mills, G. T. Road, Putlighar, Amritsar.
221. Thaker Textile Mills, Katra Naurian, Ludhiana.
222. Usha Textile Mills, Batala Road, (Opp: Neci Factory), Amritsar.

223. Wooltex Industries Corporation, G. T. Road, P. O. Amritsar, Rayon & Silk Mills, Amritsar.
224. Ball Silk Weaving Co., (P) Ltd., Cinema Road, Ludhiana.
- ‡225. Bharat Textile Mills, 903, Gowshala Road, Ludhiana.
- ‡226. Coronation Textile Mills, Near Police Division No. 3, Ludhiana.
227. Kishore Textile Mills, Sarhali Road, Taran Taran, Amritsar.
- †228. Lion Fabrics Mills, Purani Katwali, Chaura Bazar, Ludhiana.
229. H. R. Luxman & Co., Karmon Deohri, Amritsar.
230. Sawhney Shawl Industries, Chauri Bazar, Purani Kotwali, Ludhiana.
231. Ambica Hosiery Textile & General Mills, Ambica Bhuvan, Chowk Bazazan, Ludhiana.
- †232. Manak Textile Weaving Mills, Kote Harwan Dass, O/S. Sultanwind Gate, Amritsar.
233. Shiv Textile Woollen Mills, Kisan Kot, Opp: Bara Makan, Islamabad, Amritsar.
234. Arvind Textile Mills, Bagichilli, Pheru Mal Seth, Ram Tirath Road, Amritsar.
235. Government Woollen Industries, Development Centre, Panipat.
236. Grover Textiles, Nimak Mandi, Amritsar.
237. H. K. Woollen & Silk Mills, Inside Chati Wind Gate, Amritsar.
238. Huri Silk & Woollen Mills, Amritsar.
239. Sidab Ganapati Woollen Mills, 5253, Sultan Wind Road, Amritsar.

#### BIHAR

- ‡240. Bhagalpur Central Jail Works, Bhagalpur, Bihar.

#### RAJASTHAN

241. India Felt and General Mills, Jaipur, Rajasthan.
- ‡242. K. J. Textile Mills, Kokil Kunj, K. T. Text. Mill Road, Ajmer.

#### MADRAS

243. Bakaramiah K. S. & Co., P. O. Box No. 4, Salem, Madras State.
- ‡244. Central Jail Manufactory of Woollen Carpets, Tents, Coarse Towels, Bellary, Madras State.

#### B. PROSPECTIVE PRODUCERS

- \*1. Himatlal J. Dani, C/o B. Mahendralal, M. J. Market, Bombay-2.
- \*2. Arthur Import Export Co., Khandelwal Bhavan, 166, D. Naoroji Road, Bombay-1.
- ‡3. Central Cotton Company, P. B. No. 874, Bombay.
- \*4. Kusum Hosiery Mills, 74, Beliaghata Main Road, Calcutta-10.
- \*5. Star Woollen Mills, Prop. Saligram Prem Nath, Industrial Area 'A', Ludhiana.
6. Nahatta Spinning Wvg. Mills, Jodhpur.
7. Rajasthan Fine Worsted Spinning Mills, Jaipur.

#### C. WOOL COMBING UNITS

- \*1. Isaac Holdens (India) Ltd., 31, Netaji Subhas Road, P. B. No. 189, Calcutta.
- \*2. Kaushiram Kidarnath, 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Bombay-1.

- \*3. Foreign Import & Export Association, Gool Mansion, Homji Street Bombay-1.
- \*4. R. K. Wool Combers, Industrial Area 'A', Ludhiana.
- \*5. All India Wool Combers' Co-operative Society Ltd., Regd. Office: Pearl Building, G. T. Road, Ludhiana.

#### D. PRODUCERS ASSOCIATIONS

- \*1. The Federation of Woollen Manufacturers in India, J. K. Building, Dougall Road, Ballard Estate, Bombay.
- \*2. All India Woollen Mills Association Ltd., Manohar, 27, Marine Lines, Bombay-1.
- \*3. The Punjab Textile Manufacturers Association, Katra Ahluwalia, Amritsar.
- \*4. The Textile Manufacturers' Association, Post Box No. 79, 4, Queen's Road, Amritsar.
- \*5. The Shoddy Manufacturers' Association, Chowk Katra Ahluwalia, Amritsar.
- \*6 Amritsar Small Scale Woollen Manufacturers' Association Ltd., Moti Bazar, Katra Ahluwalia, Amritsar.

#### E. HOSIERY MANUFACTURERS' ASSOCIATIONS

- \*1. The Hosiery Industry Federation, Ludhiana.
- \*2. The Bengal Hosiery Manufacturers' Association, 219, Bepin Behari Ganguly Street, Calcutta-12.
- 3. Bombay State Hosiery Manufacturers' Association, 30, Old Hanuman Lane, Bombay-2.
- \*4. Delhi Hosiery Manufacturers' Association, 16/2699, Karolbagh, D. B. Gupta Road, New Delhi-5.
- 5. The Hosiery Manufacturers' Association, Ludhiana.
- 6. The Bharat Hosiery Manufacturers' Association, Ludhiana.
- 7. Hosiery Manufacturers' Association, Indore.
- 8. Knitting Factories Association, C/o B. Tukaram, President Mahendra Hosiery Works, 101/8, Kumaran Road, Tirupur (S. India).
- \*9. The Jammu Hosiery Manufacturers' Association, Jammu.
- 10. Gwalior Hosiery Manufacturers' Association, C/o Rashtriya Hosiery Works, Lashkar, Gwalior.
- †11. Ahmedabad Hosiery Factory Owners' Association, C/o Ladhawala Hosiery Factory, 449, Kankaria Road, Ahmedabad.
- 12. Amritsar Knitters Association, Bazar Kathian, Amritsar.
- 13. West Bengal Hosiery Association, 195, Mahatma Gandhi Road, Calcutta-7.

#### F. HAND KNITTING WOOL PROCESSORS' ASSOCIATIONS

- \*1. West Bengal Hand knitting Wool Processors Association, 32, Seth Jamnalal Bizaz Street, Calcutta-7.
- \*2. The Small Scale Hand Knitting Wool Processors' Union, Kachi Gali, Ludhiana.
- 3. Ludhiana Hand Knitting Wool Processors and Merchants Society, Basati Bazar, Ludhiana.
- \*4. Amritsar Hand Knitting Wool Processors Association, Bazar Kathian, Amritsar.
- 5. Maharashtra Woollen Yarn Merchants and Processors Association, Mahendra Mansion, 391, Girgaum Road, Bombay.

- \*6 Delhi Hand Knitting Wool Processors' Union, 131, Sadar Bazar, Delhi.
- 7. Hand Knitting Wool Processors' Association, 20, Swadeshi Market, Sadar Bazar, Delhi-6.
- \*8. Federation of All India Handknitting Wool Processors, Amrit Market, Gali Mathonwali, Sadar Bazar, Delhi-6.
- \*9. Universal Dyeing Works, (Prop. Banarsi Das Harbans Lal Jain), Gali Chhapa Khana, Sadar Bazar, Delhi-6.

#### G. DEALERS' ASSOCIATIONS

- \*1. Bombay Woollen Dealers' Corporation, 65, Chamba Galli, M. J. Market, Bombay-2.
- \*2. Bombay Woollen Piece-Goods & Merchants' Association, Seth Mulji Jetha Cloth Market Hili, Sheikh Memon Street, Bombay-2.
- ‡3. The Amritsar Piece-Goods Association, Katra Ahluwalia, Amritsar.
- 4. The Madras Piece-Goods Merchants' Association, 100, Godown Street, George Town, Madras-1.
- 5. The Coonoor Wellington Cloth Merchants' Association, Coonoor.
- 6. The Retail Cloth Dealers' Association, Behrampur, (Ganjam Dist.).
- 7. The Textile Wholesalers' Association, Cuttack.
- 8. The Cloth Merchants' Association, Katni.
- \*9. The Cloth Merchants' Association, Naya Bazar, Ajmer.
- ‡10. The Bangalore Wholesale Piece-Goods Merchants' Association, Chickpet, Bangalore-2.
- 11. The Secunderabad Cloth Merchants' Association, Secunderabad.
- \*12. Wholesale Cloth Trade Association, Agra.
- 13. Ahmedabad Cap & Hosiery Merchants' Association, Ratan Pole, Ahmedabad.
- 14. Bombay Hosiery Merchants' Association, Vakharia Building, Chakla Street, Bombay-3.
- 15. The Wholesale Hosiery Merchants' Association, Katra Nabi Bux, Sadar Bazar, Delhi.
- 16. The Textile Manufacturers' Association, Cooper Road, Amritsar.

#### H. YARN MERCHANTS' ASSOCIATIONS

- \*1. The Bombay Yarn Merchants' Association & Exchange Ltd., 111, Chawala Building, Tambakanta, Bombay-3.
- ‡2. Calcutta Yarn Merchants' Association, 89, Cross Street, Calcutta-7.
- ‡3. The Madras Yarn Merchants' Association, 38, Mint Street, Madras-3.
- 4. Amritsar Yarn Merchants' Association, Chowk Katra Ahluwalia, Amritsar.
- 5. The Palghat Piece-Goods and Yarn Merchants' Association, Palghat.
- 6. The Davangere Trades Association, Davangere.
- \*7. Hazarat and Co., Warden House, Sir P. M. Road, Fort, Bombay-1.

#### I. CHAMBERS OF COMMERCE

##### ANDHRA

- 1. Krishna District Chamber of Commerce, Masulipatam, (South India).
- 2. The Cocanada Chamber of Commerce, Kakinada.
- 3. Godavari Chamber of Commerce, Cocanada.
- 4. Indian Chamber of Commerce, Guntur.

5. Federation of Commerce and Industries, 352, Sultan Bazar, Hyderabad Deccan-1.

#### ASSAM

6. Upper Assam Chamber of Commerce, P. O. Jorhat, (Assam).
7. Kamrup Chamber of Commerce, Gauhati, Assam.

#### BENGAL

8. Bengal Chamber of Commerce and Industry, Royal Exchange, Post Box No. 280, Calcutta.
9. Bengal National Chamber of Commerce and Industry, P-11, Mission Row Extension, First and Second Floor, Calcutta-1.
10. Bharat Chamber of Commerce, 195, Harison Road, Calcutta.
11. Eastern Chamber of Commerce, 15, Clive Row, Calcutta-7.
12. Hindustan Chamber of Commerce, 14/1, Clive Row, Calcutta.
13. Indian Chamber of Commerce, "Indian Exchange", Royal Exchange Place Extension, Calcutta-1.
14. Merchants' Chamber of Commerce, 3 1/2, Armenian Street, Calcutta.
15. The Oriental Chamber of Commerce, 6, Clive Row, Calcutta-1.

#### BIHAR

16. Bihar Chamber of Commerce, Patna.

#### MAHARASHTRA

- ‡17. Bombay Chamber of Commerce and Industry, Mackinnon Meckenzie's Building, Ballard Estate, Bombay.
18. Indian Merchants' Chamber, Lalji Naranji Memorial, Indian Merchants' Chamber Building, Back Bay Reclamation, Fort, Bombay.
19. Maharashtra Chamber of Commerce, 12, Rampart Row, 3rd Floor, Fort, Bombay-1.
20. Mahratta Chamber of Commerce and Industries, 587/9, Shukrawar Peth, Tilak Road, Poona-2.
21. Poona Merchants Chamber, 185, Bhiawani Peth, Poona-2.
22. Western India Chamber of Commerce, 232-234, Kalbadevi Road, Bombay-2.
23. Nagpur Chamber of Commerce Ltd., New Cotton Market, Nagpur.
24. Vidarbha Chamber of Commerce, Rajasthan Building, Akola.
25. Nag Vidarbha Chamber of Commerce, Sarya Villas, Temple Road, Civil Station, Nagpur-1.

#### GUJARAT

26. Federation of Gujarat Mills and Industries, Baroda.
27. Gujarat Vepari Mahamandal, 'Gujarat Samachar' Building, Ahmedabad.
28. Surat Chamber of Commerce, Surat.
29. The Porbandar Chamber of Commerce, Manek Chowk, Porbandar.
30. Saurashtra Chamber of Commerce, Mahatma Gandhi Road, Lokhand Bazar, Bhavnagar.
31. The Chamber of Commerce, DBS/S/130/A, Gandhidham, (Kutch).

#### DELHI

32. Delhi Chamber of Commerce, Delbar Building, Original Road, Paharganj, Delhi.

33. Punjab and Delhi Chamber of Commerce, Scindia House, New Delhi.
34. Punjab Merchants Chamber, Saddar Bazar, Delhi.
35. United Chamber of Trade Association, Katrarathi, Nai Sarak, Delhi 6.

#### JAMMU AND KASHMIR

- \*36. The Kashmir Chamber of Commerce, Srinagar, Kashmir.

#### KERALA

37. Chamber of Commerce, Trichur.
38. Indian Chamber of Commerce, Mattancherry Post, Cochin-2.
39. Northern Travancore Chamber of Commerce, Alwaye.
40. Travancore Chamber of Commerce, Alleppey.
41. Malabar Chamber of Commerce, Calicut.
42. North Malabar Chamber of Commerce, Cannanore.
43. Calicut Chamber of Commerce, Calicut.
- ‡44. Cochin Chamber of Commerce, Post Box No. 16, Cochin.

#### MADHYA PRADESH

45. The Malwa Chamber of Commerce, 49, Sitalmata Bazar, Indore City.
46. Mokhoshal Chamber of Commerce, Jabalpure.

#### MADRAS

47. Andhra Chamber of Commerce, Andhra Chamber Building, 272/3, Angappa Naick St., Madras 1.
48. Chamber of Commerce, Nagapatam.
49. Coimbatore Chamber of Commerce, Coimbatore.
50. Hindustan Chamber of Commerce, 168, Broadway, Gujrathi Mandal Buildings, Madras.
51. Indian Chamber of Commerce, 14/73, Oppanakara Street, Coimbatore.
52. Indian Chamber of Commerce, Tuticorin.
- ‡53. Madras Chamber of Commerce, Dare House, First Line Beach, Madras.
54. The Madura-Ramnad Chamber of Commerce, 90-92, Avanimoola Street, (2nd Floor), Madurai.
55. Salem Chamber of Commerce, Salem.
56. Southern Indian Chamber of Commerce, Indian Chamber Building, North Beach, Madras.
57. Tamil Chamber of Commerce, 119, Armenian Street, Tuticorin.
58. The Vijay Bhartha Chamber of Commerce Ltd., Virudhunagar (Ramnad).
59. Tuticorin Chamber of Commerce, Tuticorin.
60. The Virudunagar Chamber of Commerce Ltd., Virudhunagar.

#### MYSORE

61. Mysore Chamber of Commerce, Bangalore.
62. Kannara Chamber of Commerce, P. O. Box No. 116, Mangalore.
63. Karnatik Chamber of Commerce, Hubli.

#### ORISSA

64. Orissa Chamber of Commerce, Chaudni Chowk, Cuttack.

#### PUNJAB

65. Northern India Chamber of Commerce, Desi Beopar Mandal, Ambala Cantt.

66. The Punjab Federation of Industry and Commerce, Inside Hall Gate, Amritsar.

#### RAJASTHAN

67. Jaipur Chamber of Commerce, Johari Bazar, Jaipur City.  
68. Rajasthan Chamber of Commerce and Industry, Johari Bazar, Jaipur City.

#### UTTAR PRADESH

69. Agra Merchants' Chamber Limited, Bari Kothi, Belanganj, Agra.  
70. Merchants' Chamber of United Provinces, 15/57, Civil Lines, Kanpur.  
71. National Chamber of Commerce and Industries, G. G. Industries Post Office, Agra.  
72. U. P. Chamber of Commerce, 15/197, Civil Lines, Kanpur.  
\*73. Upper India Chamber of Commerce, Civil Line, Kanpur.  
74. Western U. P. Chamber of Commerce, Meerut.

#### J. MACHINERY MANUFACTURERS

1. Kalsi Mechanical Works, Sarawal, Nandpur, Ludhiana.  
2. Subhas Machinery (P) Ltd., 4, Bibi Rohio Lane, Calcutta-12.  
\*3. Swaroop Mechanical Works, Ludhiana.  
4. Raj Mechanical Industries, Ludhiana.  
5. Bharat Machinery Works, Ludhiana.  
6. Punjab Mechanical Works, Ludhiana.  
\*7. Pearl Mechanical Engineering and Foundry Works Pvt. Ltd., Ludhiana.

#### K. GOVERNMENT DEPARTMENTS

- \*1. The Secretary to the Government of India, Ministry of Food & Agriculture, (Department of Agriculture), New Delhi.  
\*2. The Textile Commissioner, Witter Road, Ballard Estate, Bombay-1.  
\*3. The Secretary, The Development Council for Woollen Industry, Office of the Textile Commissioner, Witter Road, Ballard Estate, Bombay-1.  
\*4. The Director of Co-ordination, Directorate General of Supplies and Disposals, National Insurance Building, Parliament Street, New Delhi.  
\*5. The Development Commissioner, Small-scale Industries, Udyog Bhavan, Maulana Azad Road, New Delhi.  
\*6. Director General of Intelligence and Statistics, 1, Council House Street, Calcutta-1.  
\*7. Economic Adviser to the Government of India, Ministry of Commerce and Industry, Udyog Bhavan, Maulana Azad Road, New Delhi.  
8. The Controller of Stores, Central Railway, Bombay-1.  
\*9. The Controller of Stores, Western Railway, Bombay-1.  
\*10. The Secretary, Indian Council of Agricultural Research, Krishi Bhavan, New Delhi.  
\*11. The Director, The Indian Standards Institution, Manak Bhavan, Mathura Road, New Delhi.  
\*12. The Agricultural Marketing Adviser to the Government of India, Ministry of Food and Agriculture, Directorate of Marketing and Inspection, New Secretariat, Nagpur.  
\*13. The Chief Secretary to the Government of Andhra Pradesh, HYDERABAD.  
\*14. The Chief Secretary to the Government of Assam, SHILLONG.

15. The Chief Secretary to the Government of Bihar, PATNA.
- \*16. The Chief Secretary to the Government of West Bengal, CALCUTTA.
- \*17. The Chief Secretary to the Government of Gujarat, AHMEDABAD.
18. The Chief Secretary to the Government of Jammu and Kashmir, SRINAGAR.
19. The Chief Secretary to the Government of Kerala, TRIVANDRUM.
- \*20. The Chief Secretary to the Government of Madhya Pradesh, BHOPAL.
- \*21. The Chief Secretary to the Government of Madras, MADRAS.
- \*22. The Chief Secretary to the Government of Maharashtra, BOMBAY.
- \*23. The Chief Secretary to the Government of Mysore, BANGALORE.
- \*24. The Chief Secretary to the Government of Orissa, BHUBANESHWAR.
25. The Chief Secretary to the Government of Punjab, CHANDIGARH.
26. The Chief Secretary to the Government of Rajasthan, JAIPUR.
- \*27. The Chief Secretary to the Government of Uttar Pradesh, LUCKNOW.
- \*28. The Chief Commissioner, Delhi Administration, DELHI.
29. The Chief Commissioner, Himachal Pradesh, SIMLA.
- \*30. Counsellor (Commercial) to the Embassy of India, India House, 31, Grand Road, P. B. No. 836, Singapore.
- \*31. Second Secretary (Commercial) to the Embassy of India, Avenue Shah Raza, Teharan, Iran.
- \*32. First Secretary (Commercial) to the Embassy of India, 262, Koblenzstrasse, Bonn, West Germany.
- \*33. Second Secretary (Commercial) to the Embassy of India, Strandvager (Ground Floor), Stockholm, Sweden.
34. Second Secretary (Commercial) to the Embassy of India, No. 6 & 8, Ulits Obukha, Moscow.
35. Counsellor (Commercial) to the Embassy of India, 2107, Massachusetts Avenue, Washington-8 D.C.
- \*36. First Secretary (Commercial) to the High Commission for India in Canada, 200, McLaren Street, Ottawa, Canada.
- \*37. Indian Trade Commissioner, Post Box No. 614, Mombassa.
- \*38. First Secretary (Commercial) to the High Commission for India in Pakistan, 3, Bonus Road, Karachi-4 (W. Pakistan).
- \*39. First Secretary (Commercial) to the High Commission for India in Ceylon, 67, Tarret Road, P. B. No. 882, Colpatty Colombo, Ceylon.
40. Commissioner for the Government of India in Aden, Aden.
- \*41. Secretary (Commercial) to the Embassy of India, 8/8, Safi-ul-Deen Hilly Street, Waziriah, Baghdad.



### APPENDIX III

(Vide Paragraph 3.2)

#### *Details of factories visited by Members and Officers of the Commission*

Sl. No.	Name of the factory	By whom visited
<b>(A) List of Factories visited by the Commission</b>		
1.	The Raymond Woollen Mills Ltd., Thana.	Chairman Dr. S. K. Muranjan (Member). Shri J. N. Dutta (Member). Shri J. N. Sen Gupta (Member). Dr. R. Balakrishna (Member).
2.	Manora Hosiery Works, Bombay.	Chairman Shri J. N. Dutta (Member).
3.	The Bombay Fine Worsted Manufacturers, 'Castle Mills', Thana.	Chairman Shri J. N. Dutta (Member). Shri J. N. Sen Gupta (Member). Dr. R. Balakrishna (Member).
4.	Model Woollen Mills, Bombay	Chairman Shri J. N. Dutta (Member).
5.	The Bombay Woollen Mills (Pvt.) Ltd. Bombay.	Shri J. N. Sen Gupta (Member). Dr. R. Balakrishna (Member).
6.	Shree Digvijaya Woollen Mills Ltd., Jamnagar.	Chairman
7.	Dhruva Woollen Mills (P) Ltd., Bombay.	Shri J. N. Sen Gupta (Member). Dr. R. Balakrishna (Member).
8.	Bharat Woollen Mills Ltd., Calcutta.	Shri J. N. Sen Gupta (Member).
9.	Deshbandhu Hosiery Factory, Calcutta.	Shri J. N. Sen Gupta (Member).
10.	Isaac Holdens (India) Ltd., Calcutta.	Shri J. N. Sen Gupta (Member).
11.	Cawnpore Woollen Mills (BIC) Kanpur	Chairman Shri J. N. Dutta (Member). Shri J. N. Sen Gupta (Member). Dr. R. Balakrishna (Member).
12.	New Egerton Woollen Mills (BIC) Dhariwal.	Shri J. N. Sen Gupta (Member). Shri J. N. Dutta (Member).
13.	The Bangalore Woollen, Cotton and Silk Mills Co. Ltd., Bangalore.	Dr. R. Balakrishna (Member).
14.	The Caltek Hosiery Mills, Delhi.	Shri J. N. Dutta (Member)
15.	Greatway Hosiery, Ludhiana.	} Chairman Shri J. N. Dutta (Member). Shri J. N. Sen Gupta (Member).
16.	Kishore Hosiery, Ludhiana.	
17.	Hasmukh Hosiery, Ludhiana.	
18.	The Swedeshi Manufacturing Syndicate Private Limited; Ludhiana.	
19.	Oswal Cotton, Spg. & Wvg. Mills Ltd., Ludhiana.	

Sl. No.	Name of the factory	By whom visited
---------	---------------------	-----------------

**(B) List of Factories visited by Officers of the Commission**

- |    |  |  |
|----|--|--|
| 1. | The Raymond Woollen Mills Ltd. Thana.                  | Dr. Rama Varma, Secretary,<br>Shri B. R. Sehgal, Director<br>(Investigations).<br>Shri S. K. Basu, Senior Cost<br>Accounts Officer.<br>Dr. A. Dutta, Asstt. Director (Research).<br>Shri J. V. S. Ramasastri, Research<br>Officer. |
| 2. | Manora Hosiery Works, Bombay.                          | Shri B. R. Sehgal Offg. Secretary.<br>Shri S. K. Basu, Senior Cost<br>Accounts Officer.  |
| 3. | The Bombay Fine Worsted Manufacturers, "Castle Mills". | Shri B. R. Sehgal, Offg. Secretary.<br>Shri S. K. Basu, Senior Cost<br>Accounts Officer.<br>Dr. A. Dutta, Asstt. Director<br>(Research).<br>Shri J. V. S. Ramasastri, Research<br>Officer.   |
| 4. | Model Woollen Mills, Bombay.                           | Shri B. R. Sehgal, Offg. Secretary.<br>Shri S. K. Basu, Senior Cost<br>Accounts Officer.   |
| 5. | The Bombay Woollen Mills (P) Ltd.,<br>Bombay.          | Shri Pramod Singh, Secretary.  |
| 6. | Dhruva Woollen Mills. (P) Ltd., Bombay.                | Shri Pramod Singh, Secretary.  |

# APPENDIX IV

(Vide Paragraph 3.3)

*Particulars of factories whose accounts were examined together with the names of the Cost Accounts Officers who examined the accounts.*

Name of the Cost Accounts Officer	Units costed	Month of visit
1. Sri M. V. Ratnam, Cost Accounts Officer.	1. The Bombay Fine Worsted manufacturers, 'Castle Mills', Thana.	April & December 1961.
	2. The Raymond Woollen Mills Ltd., Thana.	June, 1961.
	3. Cawnpore Woollen Mills (B.I.C.) Kanpur.	July, 1961.
	4. New Egerton Woollen Mills (B. I. C.) Dhariwal.	July August, 1961.
	5. Government Hosiery Work Centre, Ludhiana.	} January, 1962.
	6. Sind Knitwears, Ludhiana.	
	7. Sulej Hosiery Mills, Ludhiana.	
	8. Kaushal Hosiery Works, Ludhiana.	
2. Sri S. N. Raghavan, Assistant Cost Accounts Officer.	9. Dhruva Woollen Mills Private Ltd., Bombay.	June, 1961.
	10. Bharat Woollen Mills Ltd., Calcutta.	July, 1961.
	11. Deshbandhu Hosiery, Calcutta.	July, 1961.
	12. Shree Digvijaya Woollen Mills Ltd., Jamnagar.	July August 1961.
3. Sri A. K. Ganguli, Assistant Cost Accounts Officer.	13. The Bombay Woollen Mills (P) Ltd., Bombay.	June, 1961.
	14. Oswal Cotton, Spinning and Weaving Mills Ltd., Ludhiana.	July, 1961.
	15. The Swadeshi Manufacturing Syndicate Private Ltd., Ludhiana.	July, 1961.
	16. The Panipat Woollen and General Mills, Co. Ltd., Kharar.	July, 1961.
	17. Greatway Hosiery, Ludhiana.	} July 1961.
	18. Kishore Hosiery Factory, Ludhiana.	
	19. Hasmukh Hosiery, Ludhiana.	

## APPENDIX V

(Vide Paragraph 3.4)

*List of persons who attended the Commissions' public inquiry on the  
17th and 18th November, 1961*

### A. PRODUCERS (Including Associations)

- |                                |    |   |
|--------------------------------|----|---|
| 1. Shri G. K. Singhania . . .  | .. | Representing The Federation of Woollen Manufacturers in India, Bombay.  |
| 2. Shri V. Calloway . . .      | .. | <div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">{</div> <div> The Federation of Woollen Manufacturers in India, Bombay.<br/> New Egerton Woollen Mills, Dhariwal.<br/> Cawnpore Woollen Mills, Kanpur. </div> </div> |
| 3. Shri S. Dasgupta . . .      | .. | The Federation of Woollen Manufacturers in India, Bombay.   |
| 4. Shri J. Behl . . .          | .. | <div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">{</div> <div> All India Woollen Mills, Association Ltd., Bombay.<br/> Pearl Mechanical Engineering and Foundry Works.(P) Ltd., Ludhiana. </div> </div>               |
| 5. Shri R. K. Selh . . .       | }  | All India Woollen Mills Association Ltd., Bombay.   |
| 6. Shri R. K. Chandan . . .    | }  |   |
| 7. Shri P. C. Mehra . . .      | .. | Amritsar Small scale Woollen Manufacturers' Association Ltd., Amritsar.   |
| 8. Shri H. R. Mehra . . .      | }  | The Textile Manufacturers' Association Ltd., Amritsar.  |
| 9. Shri Balbir Singh . . .     | }  |   |
| 10. Shri J. Khanna . . .       | .. | Govt. Approved Textile Manufacturers' Association, Amritsar.  |
| 11. Shri M. Khanna . . .       | }  | The Punjab Textile Manufacturers' Association, Amritsar.  |
| 12. Shri C. L. Vohra . . .     | }  |   |
| 13. Shri Pannalal . . .        | }  | The Shoddy Manufacturers' Association, Amritsar.  |
| 14. Shri Ramlubhaya . . .      | }  |   |
| 15. Shri K. K. Adya . . .      | }  | Hosiery Industry Federation, Ludhiana.  |
| 16. Shri B. R. Ahluwalia . . . | }  |   |
| 17. Shri G. C. Dhawan . . .    | }  |   |
| 18. Shri K. L. Sabharwal . . . | }  |   |
| 19. Shri S. P. Jain . . .      | }  |   |
| 20. Shri S. N. Kanshal . . .   | }  |   |
| 21. Shri L. Mukherjee . . .    | }  | The Bengal Hosiery Manufacturers' Association, Calcutta.  |
| 22. Shri S. Mukerjee . . .     | }  |   |

23.	Shri C. Constantinides	Representing	The Oriental Carpet Manufacturers (India) Private Ltd., Amritsar.
24.	Shri Eric De Souza	}	The Raymond Woollen Mills Ltd., Thana.
25.	Shri B. K. Kedia		
26.	Shri A. Singhania		
27.	Shri R. K. Birla	}	Shri Digvijaya Woollen Mills Ltd., Jamnagar.
28.	Shri B. N. Balasaria		
29.	Shri B. R. Ghosh		Bharat Woollen Mills Ltd., Calcutta.
30.	Shri Bose		{ Cawnpore Woollen Mills, Kanpur.
			{ New Egerton Woollen Mills, Dhariwal.
31.	Shri D. R. Nayar	}	The Bombay Fine Worsted Manufacturers, 'Castle Mills', Thana.
32.	Shri S. N. Kumeria		
33.	Shri K. M. Kandoi		The Bombay Woollen Mills (P). Ltd., Bombay.
34.	Shri M. V. Chaugule	}	The Panipat Woollen and General Mills Co. Ltd., Kharar.
35.	Shri B. V. Agwankar		
36.	Shri Tej Paul		Oswal Cotton Spinning and Weaving Mills Ltd., Ludhiana.
37.	Shri H. C. Gupta		The Bengal National Textile Mills Ltd., Calcutta.
38.	Shri T. N. Khaitan	}	Dhruva Woollen Mills (P) Ltd., Bombay.
39.	Shri K. K. Khaitan		
40.	Shri S. Rao		
41.	Shri H. J. Dani		Dani Wooltex Corporation, Bombay.
42.	Shri S. P. Seth		Simplex Woollen Mills, Bombay.
43.	Shri T. K. Katakia		{ Madhu Wool Spinning Mills, Bombay.
			{ Bombay Woollen Piecegoods Merchants Association, Bombay.
44.	Shri T. K. Nagpal		The Nagpal Woollen Mills, Bombay.
45.	Shri K. M. Grover		{ Model Woollen Mills, Bombay.
			{ Modella Woollen Mills Ltd., Bombay.
46.	Shri S. N. Puri		{ National Woollen Mills, Bombay.
			{ Shri Krishna Woollen Mills, Bombay.

- |                               |   |              |  |
|-------------------------------|---|--------------|--|
| 47. Shri R. A. Jagirdar . . . | } | Representing | India Woollen Textile Mills (P) Ltd., Chheharta.         |
| 48. Shri J. M. Nayar . . .    |   |              |  |
| 49. Shri P. H. Kapadia . . .  |   | „            | The Woollen and Textile Industries, (P) Ltd., Bombay.    |
| 50. Shri H. R. Dhandra . . .  | } | „            | The Swadeshi Manufacturing Syndicate (P) Ltd., Ludhiana. |
| 51. Shri P. N. Chopra . . .   |   |              |  |
| 52. Shri I. P. Ohir . . .     |   |              |  |
| 53. Shri M. Gopal . . .       |   |              |  |
| 54. Shri D. S. Bawa . . .     |   | „            | Hasmukh Hosiery Factory Ludhiana.                        |
| 55. Shri H. D. Dhumra . . .   |   | „            | Greatway Hosiery Works, Ludhiana.                        |

#### B. HAND KNITTING WOOL PROCESSORS' ASSOCIATIONS

- |                            |   |              |   |
|----------------------------|---|--------------|---|
| 1. Shri N. K. Tandon . . . | } | Representing | Federation of All India Hand-knitting wool Processors, Delhi. |
| 2. Shri T. R. Mittal . . . |   |              |   |
| 3. Shri Kundanlal . . .    |   |              |   |
| 4. Shri Pritam Singh . . . | } | „            | Handknitting Wool Processors' Association, Amritsar.          |
| 5. Shri O. P. Khanna . . . |   |              |   |

#### C. WOOL COMBING UNITS

- |                         |              |   |
|-------------------------|--------------|---|
| 1. Shri G. Mohan . . .  | Representing | Isaac Holders (India) Limited Calcutta. |
| 2. Shri R. Khanna . . . | „            | R. K. Wool Combers, Ludhiana.           |

#### D. YARN MERCHANT

- |                          |              |                          |
|--------------------------|--------------|--------------------------|
| Shri P. V. Hazarat . . . | Representing | Hazarat and Co., Bombay. |
|--------------------------|--------------|--------------------------|

#### E. DEALERS' ASSOCIATION

- |                             |              |   |
|-----------------------------|--------------|---|
| 1. Shri H. N. Desai . . .   | Representing | Bombay Woollen Piece Goods Merchants Association, Bombay. |
| 2. Shri L. D. Kapoor . . .  | }            | Bombay Woollen Dealers, Corporation, Bombay.              |
| 3. Shri H. D. Katodia . . . |              |   |

#### F. SOLE SELLING AGENT

- |                          |              |   |
|--------------------------|--------------|---|
| Shri K. M. Agarwal . . . | Representing | Bhawani Prasad Girdharlal Agency, Bombay. |
|--------------------------|--------------|---|

#### G. GOVERNMENT DEPARTMENTS

- |                               |   |              |   |
|-------------------------------|---|--------------|---|
| 1. Shri I. B. Dutt . . .      | } | Representing | The Textile Commissioner, Bombay.   |
| 2. Shri K. I. Narsimhan . . . |   |              |   |
| 3. Shri R. G. Zalani . . .    |   |              |   |
| 4. Shri M. Shah . . .         |   |              |   |
| 5. Shri R. A. Bhotc . . .     |   | „            | The Agricultural Marketing Adviser, Ministry of Food and Agriculture, Nagpur. |
| 6. Shri V. Sahany . . .       |   | „            | The Development Commissioner, Small Scale Industries, New Delhi.              |

- |                                 |              |  |
|---------------------------------|--------------|--|
| 7. Shri N. K. Thadani . . .     | Representing | The Director General of Supplies and Disposals, New Delhi.     |
| 8. Shri T. C. Naik . . .        | „            | The Controller of Stores, Western Railway, Bombay.             |
| 9. Shri Capt. R. C. Passi . . . | „            | The Controller of Stores, Central Railway, Bombay.             |
| 10. Shri S. N. Kekre . . .      | „            | The Director of Industries, Government of Maharashtra, Bombay. |
| 11. Shri G. Nagaraj. . .        | „            | The Director of Industries, Government of Mysore, Bangalore.   |



## APPENDIX VI

(Vide Paragraphs 6.1.2. and 6.4.1.)

Statement showing State-wise distribution of installed capacity of woollen factories registered under Industries (Development and Regulation) Act 1951 as on 1st January 1962

STATE	Composite Units						Spinning Units						Grand Total			
	Spindles			Looms			Spindles		Weaving Looms		Spindles		Looms			
	Woollen Shoddy Worsted Total			Woollen Shoddy Worsted Total			Woollen Shoddy Worsted Total		Woollen Shoddy Worsted Total		Woollen Shoddy Worsted Total		Woollen Shoddy Worsted Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
W. Bengal	1,380	..	2,476	3,856	64	..	..	2,960	2,960	5	1,380	..	5,436	6,816	69	
U. Pradesh	7,908	..	9,852	17,760	250*	..	1,308	..	1,308	..	7,908	1,308	9,852	19,058	250*	
Punjab	7,537	1,000	27,728	46,265	601	..	2,320	13,632	15,952	108	17,537	3,320	41,360	62,217	709	
Maharashtra	4,500	..	43,920	48,420	504	260	7,736	8,912	16,908	..	4,760	7,736	52,832	65,328	504	
Gujarat	5,230	..	9,168	14,398	168	..	..	..	..	..	5,230	..	9,168	14,398	168	
Mysore	14,028	..	..	14,028	182	..	..	..	..	..	14,028	..	..	14,028	182	
TOTAL	50,583	1,000	93,144	144,727	1,769	260	11,364	25,504	37,128	113	50,843	12,364	118,648	181,855	1,882	

\*Excluding 56 hand-loom.



## APPENDIX VII

[Vide Paragraph 9·2·3·]

*Statement showing areas of availability of different types of Wool in India*

Types	Area of Production	Fineness	Colour
1. Chokla or Chap-per	South-eastern part of erstwhile Bikaner State (Sandy tract)	Fine	White, pale yellow and yellow.
2. Magra	South Western part of erstwhile Bikaner State (hard clay soil)	Medium	Very white, white & pale yellow.
3. Nali	Whole of Northern and Eastern parts including the canal areas of erstwhile Bikaner State.	Medium Fine	Creamy white & deep yellow.
4. Joria	(a) Morvi Tankara, Jamnagar and Rajkot areas.	Fine & Medium	75% white and yellow and 25% coloured.
	(b) Dwarka, Porbandar and Khambalia.	Medium	Do.
5. Kachechi or Kutchi.	In Kutch in autumn, in North Gujarat in spring.	Medium & Coarse	95% white and yellow, 5% coloured.
6. Patanwali	North Gujarat	Fine & Medium	90% white and yellow, 10% coloured.
7. Charothri	Western, Central & Southern areas of erstwhile Baroda State.	Coarse to very Coarse	White, yellow & coloured.
8. Nadiadi	Kaira & part of Ahmedabad distt.	Medium	White & coloured.
9. Deccani	All over Deccan & Karnatak.	Medium to Coarse	Black white and mixed. 75% black & mixed and 25% white.
10. Bagri	Ludhiana, Nabha, Fazilka, Jaisalmer, Jind, Hissar, Roh-tak & Karnal area.	Medium	White, Pale yellow and yellow.
11. Punjab Desi	Amritsar	Medium	White & yellow.
12. Pahari	Kashmir State: Yearly shearing, half yearly shearing.	Medium Coarse	White & yellow.
13. Sotar	Hissar, Dhuri, Ludhiana, Nakodar, Jullundur, Patiala & Malerkotla areas.	Coarse	Do.
14. Munjal	Ferozepur, Faridkot and Patiala areas.	Very Coarse	Do.
15. Madras	Madras State & parts of Andhra Pradesh.	Very Coarse & hairy	Mostly coloured
16. Bangalore and Tiptur.	Mysore State	Medium coarse	White and coloured.

## APPENDIX VIII

(Vide Paragraph 11.1.1)

Statement showing consumption of different types of woollen yarn in India during 1959, 1960 and 1961

(In million Lbs.)

Sl. No.	Types of Wool	1959				1960				1961			
		I	P	E	C	I	P	E	C	I	P	E	C
1.	Woollen and Shoddy yarn	0.56	12.10	—	12.66	0.02	12.90	—	12.92	0.03	14.91	—	14.94
2.	Weaving yarn including Hosiery yarn.	0.01	11.70	N	11.71	0.03	10.40	0.02	10.41	N	12.28	N	12.28
3.	Knitting yarn . . .	N	3.20	0.01	3.19	N	2.30	0.01	2.29	N	2.48	0.01	2.47
4.	Others including carpet yarn	0.08	2.60	N	2.68	0.16	2.30	N	2.46	0.09	2.86	0.01	2.94
TOTAL		0.65	29.60	0.01	30.24	0.21	27.90	0.03	28.08	0.12	32.53	0.02	32.63

NOTES.—  $C = I + P - E$ 

where

C = Consumption

I = Imports

P = Production

E = Exports

N = Negligible.

## APPENDIX IX

(Vide Paragraph 11.2.1)

Statement showing consumption of woollen manufactures in India during 1959, 1960 and 1961.\*

Sl. No.	Items	1959				1960				1961			
		I	P	E	C	I	P	E	C	I	P	E	C
I. Woollen Fabrics. (In million yards)													
1.	Suitings . . .	0.06	6.61	0.58	6.09	0.13	6.13	0.30	5.96	0.04	6.69	0.28	6.45
2.	Blankets and rugst .	N	4.29	0.16	4.13	0.56	2.66	0.15	3.07	N	2.35	0.17	2.18
3.	Melton and shoddy .	..	0.23	N	0.23	..	0.02	N	0.02	..	N	N	N
4.	Lohis and shawls‡ .	..	1.11	0.20	0.91	N	0.89	0.26	0.63	N	0.58	0.11	0.47
5.	Uniform cloth . .	..	1.68	..	1.68	..	1.29	..	1.29	N	1.15	N	1.15
6.	Other sorts . . .	0.09	3.85	0.06	3.88	0.05	3.61	0.01	3.65	0.08	3.65	0.02	3.71
TOTAL		0.15	17.77	1.00	16.92	0.74	14.60	0.72	14.62	0.12	14.42	0.58	13.96
II. Hosiery goods. (In million lbs.)													
		N	0.56	0.20	0.36	N	0.66	0.22	0.44	N	0.51	0.11	0.40

NOTES.—C=I+P—E

where

C=Consumption.

I=Imports.

P=Production.

E=Exports.

N=Negligible.

\*Production figures exclude output of shoddy fabrics, hosiery goods etc. in the small scale sector.

†Figures relating to imports and exports of blankets and rugs which are available in terms of poundage have been converted into yardage.

‡Figures relating to imports and exports of lohis and shawls which are available in terms of Nos. have been converted into yardage.

## APPENDIX X

(Vide Paragraph 12.1)

*Statement showing the import licensing policy for raw wool, wool tops, woollen yarn and fabrics for the period April 1962-March 1963*

Part and Sl. No. of I.T.C. Schedule	Description	Policy for established importers	Validity of licence	Remarks
1	2	3	4	5
<i>Part V</i>				
47.	Wool raw and wool tops including wool waste, shoddy wool and woollen rags.	Nil	Twelve months	Actual Users' applications will be considered in consultation with the Textile Commissioner, Bombay.
48.	Woollen yarn, not otherwise specified.	Nil		
49.	Woollen yarn or weaving and knitting wool, excluding hand knitting wool.			
50.	Hair and woollen yarn exclusively used for the manufacture of hair belting.			
<i>Part IV</i>				
186.	Khaki, air blue barathea and other woollen fabrics not otherwise specified suitable for making uniforms and containing more than 90 per cent of wool, excluding felt and fabrics made of shoddy or waste wool.	Nil		
187.	Woollen fabrics, not otherwise specified, including shawl cloth containing more than 90 per cent of wool excluding felt and fabrics made of shoddy and waste wool and fabrics, specified in Serial No. 186 above			

191. Khaki, air blue, barathea and other fabrics, not otherwise specified, suitable for making uniforms and containing not more than 10 per cent silk or 10 per cent artificial silk, but containing more than 10 per cent but not more than 90 per cent wool.
192. Fabrics, not otherwise specified, containing not more than 10 per cent silk or 10 per cent artificial silk but containing more than 10 per cent but not more than 90 per cent wool, excluding fabrics specified in S. No. 191 above.
204. Blankets and rugs (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk.
205. Woollen carpets, floor rugs, ruffle cloth, shawls and lohis.
215. Woollen hosiery and woollen knitted apparel, that is to say, all hosiery and knitted apparel containing not less than 15 per cent of wool by weight.

Nil

## APPENDIX XI

[Vide Paragraph 12.2]

*Statement showing quantity and value of wool and woollen manufactures exported from India during the years 1957 to 1961*

(Quantity and value figures are given in thousands)

Sl. No.	Articles exported	Unit	1957		1958		1959		1960		1961	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
1.	Raw wool . . . . .	Lbs.	37,808	116,001	33,945	86,085	42,110	110,191	30,551	81,728	32,090	84,985
2.	Waste wool and other animal hair . . . . .	"	53	142	25	21	13	36	17	46	101	216
3.	Knitting wool . . . . .	"	4	33	3	17	8	83	6	61	13	102
4.	Woollen yarn for weaving . . . . .	"	8	70	..	3	..	..	18	140	3	31
5.	Other sorts . . . . .	"	2	3	..	..	..	..	3	8	14	36
TOTAL (3, 4 & 5) . . . . .			14	106	3	20	8	83	27	209	30	169
6.	Stocking & Hose . . . . .	"	7	44	59	558	12	77	55	476	3	27
7.	Underwear Knittings . . . . .	"	3	18	8	66	1	8	24	101	..	..
8.	Outwear Knittings . . . . .	"	119	1,023	148	1,361	192	1,790	142	1,499	104	980
TOTAL (6, 7 & 8) . . . . .			129	1,085	215	1,985	205	1,875	221	2,076	107	1,007

9. Woollen & Worsted piece goods . . . .	Yds.	44	709	272	4,108	518	7,098	254	3,677	167	2,141
10. Flannel, Ruffle cloth & Shawl cloth . . . .	"	..	3	1	7	..	3	11	156	4	8
11. Shoddy woollen cloth . . . .	"	..	..	..	..	1	3	2	21	4	3
TOTAL (9, 10 & 11) . . . .	"	44	712	273	4,115	519	7,104	267	3,854	175	2,152
12. Woollen piece goods mixed . . . .	"	27	276	5	18	66	190	46	205	46	159
13. Other woollen fabrics . . . .	"	3	31	85	655	58	780	4	64	12	221
14. Blankets . . . .	Cwt.	9	689	2	742	2	688	2	544	2	636
15. Shawls and Lohis . . . .	Nos.	45	1,170	39	965	81	1,232	104	1,876	44	842
16. Carpets . . . .	Sq. Yds.	1,949	41,382	1,848	44,780	2,047	49,026	1,948	48,160	1,470	40,940
17. Druggets . . . .	"	56	505	50	375	25	219	26	265	36	508